



2020
2021

INTEGRATED
DEVELOPMENT
PLAN

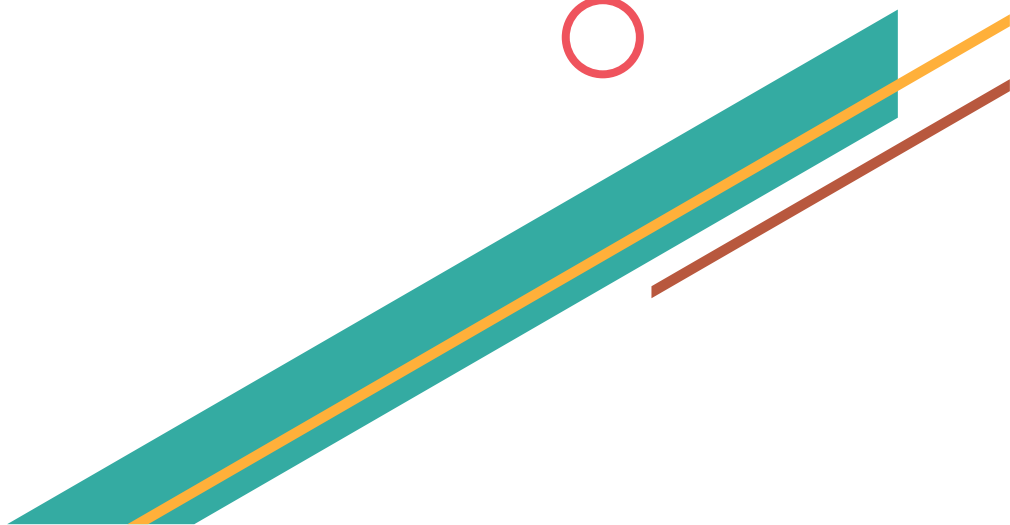


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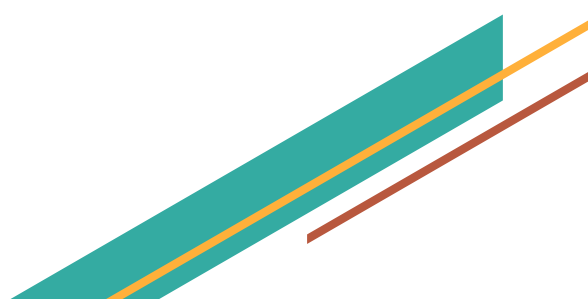
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FOREWORD FROM THE MAYOR

The Council of Elundini Local Municipality is presenting a reviewed Integrated Development Plan for 2020-2021. The annual review of our IDP is guided mainly by the Municipal Systems Act and Municipal Finance Management Act. Municipal Systems Act Section 34 requires a municipal council to review its IDP annually. During the preparation of the current budget the Council took into account the municipality's integrated development plan; national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and provincial grants and agreements we have with the Office of the Premier and the Department of Public Works.

It is worth noting that the above said pieces of legislation also require us as the Council to consult communities before we approve the IDP and Budget for the following year. Due to COVID 19, a pandemic that has tormented the whole wide world, we were unable to conduct IDP/Budget Roadshow in the conventional way of going to communities and physically interact with our citizens. COVID 19 Regulations prevented us to convene mass meetings and instructed us to use digital platforms to advance public participation. We then used the municipal social media platforms to fulfil this mandate. We used these platforms to send notifications for the digital roadshow; to present draft IDP/Budget; to give service delivery progress for 2019/2020 financial year and to highlight remaining service delivery challenges. Digital stakeholder and community consultation looks like is going to be our new normal as we all do not know when is this pandemic going to end. This new normal requires innovative way to ensure business continuity whilst meeting all legislative requirements. It also requires us to re-prioritize and allocate resources differently to accommodate the current situation. As the Council we would like to thank everyone who participated. The inputs and comments that were made during this digital consultation were also incorporated into this IDP and other issues were responded to during the State of the Municipal Address which was also conducted digitally.

During the strategic planning session we had in February 2020, we re-affirmed our vision "to be a leading rural municipality that delivers a better

quality of life for all citizens, a municipality that is phenomenal viable, highly successful and people centred." We further re-affirmed our mission, values, goals and strategic objectives that we set for ourselves as the Council four years ago. We as we roll the carpet, we will continue in 2020/2021 financial year to focus on infrastructure development – construction and maintenance of access roads; construction and rehabilitation of bridges; households electrification; construction and maintenance of streets and high mast lights; installation of smart metres and link lines. Municipal council will also continue with strides to strengthen local economic development initiatives including ward-based planning processes. Construction and maintenance of public amenities will remain at the core of our priorities. Youth, women, people with disability and HIV/AIDS also remain our area of strategic focus. Our budget is divided into capital and operating budget in line with international standard practice applicable. The total budget for 2020/2021 is R243.2 million with R53.2 million allocated for capital budget and R190 million for operational budget. It is regrettable that we, like other municipalities, had to experience budget allocation cut from the initially gazetted allocations due to COVID 19 strain that was put to the national fiscal. We also had to create a new line item in our budget to cater for COVID 19 requirements to ensure safe environment for municipal customers and employees.

All the sections of this document were updated with the relevant information during the review process. Inputs that were made by communities on quarterly basis through the ward committee system were incorporated into the IDP. It should also be noted that on Section A one of the most significant improvements was the development and inclusion of IDP Process Plan for 2020/2021. This development of the IDP Process Plan was traditionally developed and tabled in the first quarter of each financial year. This improvement was necessitated by the findings of LGMIM and auditor-general on the municipality non-compliance with budgeting processes. Thus it was necessary that the municipality changes the way of doing business in this area to avoid repeated findings. Section B which deals with situational analysis was updated with recent Census information that was released on the quarter 04



report on inflation, Gross Domestic Product and employment. No changes were made in sections like Section C, D and E. Section F, G and H were updated accordingly.

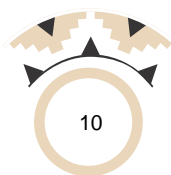
In conclusion I would like to encourage our communities and families not to despair during this trying time. We are all in this together. Let us support each other and pray for one another humble ourselves under the Mighty hand of God and in due season He shall definitely lift us up. Our God is good and gracious enough to hear us. Let us continue to do everything we need to do to prevent the spread of Corona. Let us continue to wash your hands regularly with water and soap or sanitizer; keep social distance; obey regulations; stop prohibited social gatherings.

*We all have power to choose between **LIFE** and **DEATH**. Please choose **LIFE**. Stay at home and stay safe.*



Cllr. N. R. Lengs
Mayor

DATE: 24 June 2020



OVERVIEW BY THE MUNICIPAL MANAGER

The development of the 2020/2021 Integrated Development Plan (IDP) has had to take into account the 'new reality' of our lives, and indeed the lives of the global community, which have arisen as a result of the Coronavirus Disease of 2019 (Covid-19). The landscape for the implementation of the IDP has shifted fundamentally, and negatively, as scores of South Africans, and thousands globally, continue to be infected by the invisible enemy known as Covid-19, with thousands succumbing to the disease. Importantly, and in the South African context, the rate of recovery is encouraging, as it is pitched above 50%. The Joe Gqabi District Municipality is the smallest in the Eastern Cape Province, in terms of the population and, in terms of the Covid-19 statistics released on 13th June 2020, but by comparison has the fifth Covid-19 positivity rate at 8,4% per 100 000. This could be due to a number of variables, and it is not necessary at this stage, and for the purposes of the overview, to delve deeply into this, as the numbers change frequently and as such figures for one day may not be a good indicator of the trajectory of the disease in any particular region.

At the onset of the disease, South Africa's economy was on a recession. The disease does not augur well for the recovery of the economy, and economists have prognosticated that the GDP will shrink by anything up to 10%. The effects of an economic depression are severe for the country in general, and in particular for small rural municipalities like the Elundini Local Municipality. It can be anticipated that the already high levels of unemployment and poverty will be aggravated. Practically, we have already witnessed a delay in a number of 'mega' projects, in our context, like the Shopping Mall planned for Mt Fletcher, as well as the Institutional/Commercial development mix, earmarked for Maclear, being delayed. There has

also been a downscaling of the infrastructure grants, evidenced by the initial gazetting of the INEP grant at R18 million after the budget speech by the Minister of Finance in February 2020, which has since been reduced to R15 million. Already one of the major clients of the Elundini Local Municipality, with a handsome contribution to the coffers of the municipality, is in the process of negotiating their terms for the payment of rates and service charges from the MFMA standard of 30 days to 60 days. It would also not be an exaggeration to anticipate a spiral in the number of indigents in our database.

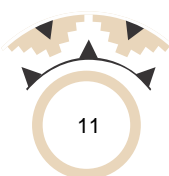
The above are outlined, not as a scare crow, but as a reality that the municipality, being rural in character and consequently struggling to meet its constitutional obligations due to a meagre revenue base, is facing. The implication is that our ability to meet the community's service delivery aspirations will severely take a knock.

As a leading rural municipality that delivers a better quality of life for all citizens, a municipality that is phenomenally viable, highly successful and passionately people centred, no stone shall be left unturned in bringing quality services to the community of Elundini



Khaya Gashi
Municipal Manager

DATE: 24 June 2020



BACKGROUND

Section 34 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, provides for the annual review of the IDP in accordance with an assessment of its performance measurements and to the extent that changing circumstances so demands. This draft 2020 – 2021 IDP document is the fourth review of the 2017/2022 IDP of the Elundini Local Municipality. The strategic objectives and targets contained in this document were reached subsequent to extensive systematic and structured internal and external consultation through various public participation mechanisms with the community and stakeholders within the Elundini Municipal area of jurisdiction.

In terms of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which, *inter alia*, links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality and aligns the resources and capacity of the municipality.

As far as the status of the IDP is concerned, Section 35 of the MSA clearly states that an Integrated Development Plan adopted by the Council of a municipality: (a) is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality; (b) binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's Integrated Development Plan and national or provincial legislation, in which case such legislation prevails; and (c) binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law.

Section 36 furthermore stipulates that a municipality must give effect to its integrated development plan and conduct its affairs in a manner that is consistent with its integrated development plan. The IDP is the key instrument to achieve developmental local governance for decentralized, strategic, participatory, implementation orientated, coordinated and integrated development.

Preparing an IDP is not only a legal requirement in terms of the legislation but it is actually the instrument for realizing municipalities' major developmental responsibilities to improve the quality of life of citizens". It seeks to speed-up service delivery by securing a buy-in of all relevant role-players and provides government departments and other social partners with a clear framework of the municipality's development trajectory to harness implementation efforts.

Integrated Development Planning also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government. Local development priorities, identified in the IDP process, constitute the backbone of the local government's budgets, plans, strategies and implementation activities. Hence, the IDP forms the policy framework on which service delivery, infrastructure development, economic growth, social development, environmental sustainability and poverty alleviation rests.

The IDP therefore becomes a local expression of the government's plan of action as it informs and is informed by the strategic development plans at national and provincial spheres of government.

In terms of Section 26 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, the core components of an IDP are:

- ✓ The municipal Council's vision for the long term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;
- ✓ An assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;
- ✓ The Council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;
- ✓ The Council's development strategies which must be aligned with any national or provincial sector plans and planning requirements binding on the municipality in terms of legislation;
- ✓ A spatial development framework which must include the provision of basic

guidelines for a land use management system for the municipality;

- ✓ The Council's operational strategies;
- ✓ Applicable disaster management plans;
- ✓ A financial plan, which must include a budget projection for at least the next three years; and
- ✓ The key performance indicators and performance targets determined in terms of the Performance Management System.

Guiding Parameters

Within the multitude of government policy frameworks, legislation, guidelines and regulations that seek to advocate for the path, pace and direction for the country's socio-economic development agenda, the section below focuses on National Development Plan Vision 2030; Popular Mandate across Spheres of Government; Government Outcomes; Medium Term Strategic Framework (MTSF); the National Spatial Development Perspective (NSDP); National Growth Path; the Joe Gqabi Growth and Development Strategy; Millennium Development Goals; State of the Nation Address (SONA); and State of the Province Address (SOPA).

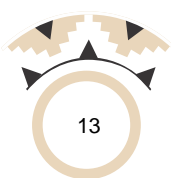
❖ *National Development Plan, Vision 2030*

The RDP formed the basis of government's attempt to attack poverty and deprivation, and to build a united, non-racial and non-sexist South Africa. Informed by the principles of inclusivity, government translated the RDP into policies, programs and budgets.

The Diagnostic Report of the National Planning Commission, released in June 2011, sets out South Africa's achievements and its shortcomings since 1994. The Vision Statement of the NDP is a step in the process of charting a new path for our country.

The NDP has the following objectives:

- ✓ Seeks to eliminate poverty and reduce inequality;
- ✓ Seeks a country wherein all citizens have the capabilities to grasp the ever-broadening opportunities available;
- ✓ Plans to change the life chances of millions of our people, especially the youth; life chances that remain stunted by the apartheid history



❖ *Priority Programs Of The District*

Based on a comprehensive analysis of the District and the Strategic Goals and Objectives, the District has adopted eight “Priority Programs” to drive growth and development in the District over the next five to ten years. These priority programs were endorsed by all the social partners at the Growth and Development Summit held in February 2007 as well as in subsequent public meetings. The Strategic IDP objectives presented in the table below are aligned to the eight priority programs, MTAS and the 12 Outcomes of Government as well as the Millennium Development targets. The eight priority programs are depicted in the table below:

Table 1: Priority Programs

PRIORITY PROGRAM	OBJECTIVES OF THE PROGRAM
AGRICULTURE	Aims to improve livelihoods of emerging and subsistence
TIMBER	Aims to create new jobs through new afforestation and timber processing
TOURISM	Aims to grow the tourism industry
WATER AND SANITATION	Aims to eradicate backlogs in line with national targets
MUNICIPAL SERVICES UPGRADING	Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes
SOCIAL SAFETY NET	Aims to support the poorest, through EPWP, home gardens etc.
ACCESS AND LINKAGES	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government’s performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)

❖ *Priority Programs of the Elundini Local Municipality*

ELM’s priority programs are derived from various community engagement platforms like ward committee meetings, IDP roadshows, Ward Based Planning, etc.

Table 2: ELM Priorities

PRIORITY PROGRAM	OBJECTIVES OF THE PROGRAM
SMME DEVELOPMENT	Aims to stimulate local economy and create sustainable enterprises
MANUFACTURING	Aims to stimulate and create vibrant local economy
MINING	Aims to stimulate and create vibrant local economy
AGRICULTURE	Aims to improve livelihoods of emerging and subsistence
TIMBER	Aims to create new jobs through new afforestation and timber processing
TOURISM	Aims to grow the tourism industry
ROADS AND STORMWATER	Aims to eradicate backlogs in line with national targets
RURAL ELECTRIFICATION	Aims to improve municipal services to create sustainable human settlements, particularly in rural nodes
SMALL TOWN REGENERATION	The program focuses on Commercial, Institutional and residential property development
TOWNSHIP ESTABLISHMENT	Access Aims to improve roads and access to electricity and ICT, to support Economic development
GOVERNANCE	Aims to improve Government’s performance, particularly in supporting economic development and improving service delivery (coordination, health, education, etc.)
ENVIRONMENTAL AND WASTE MANAGEMENT	Aims to protect the environment
SOCIAL INFRASTRUCTURE (PUBLIC AMENITIES)	Aims to create a conducive environment for social activities
COMMUNITY SKILLING	Aims to develop community capacity to champion their own development

EXECUTIVE SUMMARY

SECTION A: INTRODUCTION

Section 23 of the Local Government: Municipal Systems Act, 32 of 2000 as amended, explains that a municipality must undertake developmentally-oriented planning so as to ensure that it strives to achieve the objects of local government as set out in Section 152 of the Constitution of the Republic of South Africa, 1996 to give effect to its developmental duties as required by Section 153 of the Constitution of the Republic of South Africa, 1996 and together with other organs of state contribute to the progressive realization of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa, 1996. An IDP is a super-plan that gives a framework for development. It tries to address the needs of the people in the area, draws in stakeholders and other spheres of government and plans for infrastructure and local economic development. The components of Elundini Integrated Development Plan are as set out in the Integrated Development Plan Format Guide developed by the Department of Provincial and Local Government of the Republic of South Africa.

SECTION B: UPDATED SITUATIONAL ANALYSIS

The municipality has in terms of the situation analysis, analyzed each Key Performing Area 's current status and challenges thereof , and further proposed strategies that will bring change to the current situation to better the services of its communities. The list of community needs/priorities are included in section B below.

SECTION C: VISION AND MISSION

In this section, the municipality reflects on its vision which serves as a framework or a road map to guide every aspect of the organization by describing what needs to be accomplished. It has also through its mission and values declared its purpose and the standard against which the institution will weigh its actions and decisions.

SECTION D: STRATEGIC OBJECTIVES

This describes the goals and objectives and the priorities which serves as the end towards which the municipality's efforts and actions are directed and coordinated. It contains the performance indicators set by a municipality which include general key performance indicators prescribed by National Department of Local government and traditional affairs. Clear performance targets for the next five years are also reflected. The performance information reflected in the IDP informs the budget allocation with the service delivery receiving more consideration than other areas of operation.

SECTION E: DEVELOPMENT STRATEGIES

The IDP process is guided by various policies and strategies that are developed by both the National and Provincial government. The alignment is the process by which the various organs of government develop and implement consistent strategies and programs. This section therefore outlines the key policies and strategies considered by Elundini municipality in its intergraded development review.

SECTION F: PERFORMANCE MANAGEMENT SYSTEM

This section reflects on the functioning of the ELM's PMS.

SECTION G: OPERATIONAL BASED AND SERVICE DELIVERY PROJECTS

This section reflects on all planned projects by the district municipality and other sector departments, both funded and unfunded.

SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

This section deals with the analysis of the financial position and financial viability of the municipality.





A

SECTION INTRODUCTION

1. SECTION A: INTRODUCTION

1.1. Purpose of this Document

An Integrated Development Plan (IDP), once adopted by the Municipal Council, is a key strategic planning tool for the municipality. It is described in the Municipal Systems Act (MSA) 32 of 2000 as:

35(1) (a) "...the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality";
(b) "...binds the municipality in the exercise of its executive authority...;

Elundini Local Municipality (ELM) developed its IDP and Budget in accordance with the requirements as set out in the Local Government: Municipal Systems Act (MSA) 32 of 2000, the Local Government: Municipal Planning and Performance Management Regulations 2001 and the Local Government: Municipal Finance Management Act 56 of 2003. In terms of the Local Government: Municipal Systems Act, Chapter 5, Section 25 (1) each municipal Council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality which:

- a) links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- b) aligns the resources and capacity of the municipality with the implementation of the plan;
- c) forms the policy framework and general basis on which annual budgets must be based;
- d) complies with the provisions of this Chapter; and
- e) is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

1.2. IDP Contents

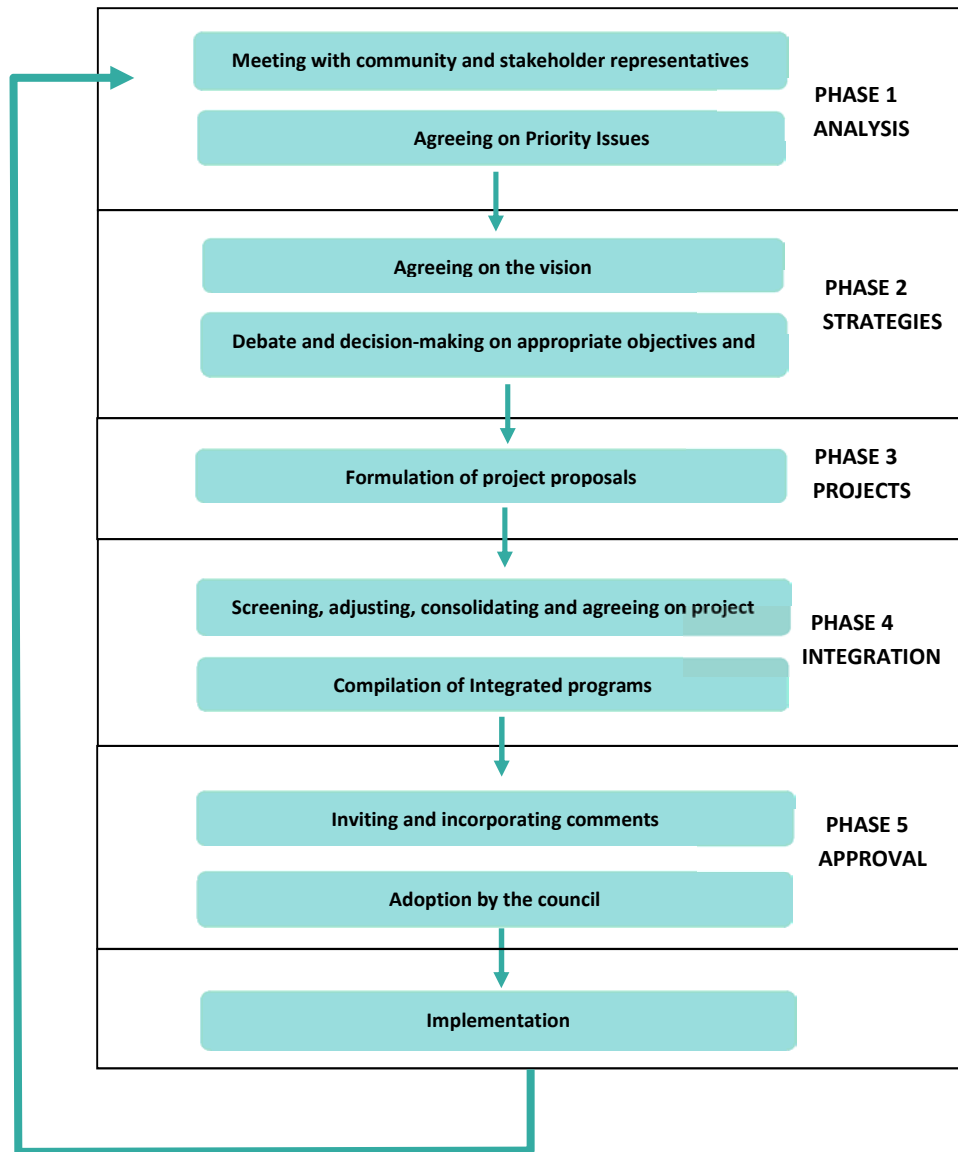
The IDP development and content is informed by legislative framework; situational analysis; National, Provincial and District plans and policies such as the National Development Plan (NDP), the Medium-term Strategic Framework, the National Spatial Development Perspective (NSDP), the Eastern Cape Provincial Spatial Development Plan (ECPSDP), the Eastern Cape Provincial Growth and Development Plan (ECPGDP), the Ukhahlamba District Growth and Development Summit (GDS), the Elundini 5 year Strategy, SONA and SOPA. The IDP also contains performance management system, service delivery and budget implementation plan and financial plan

1.3. Process Followed

1.3.1. IDP & Budget Process Plan for 2020/2021 IDP Review

The ELM 2020/2021 IDP and Budget Process Plan was noted by EXCO on 27 August 2019 with Resolution No. EXCO/281/19 was adopted by Council on 27 September 2019 Council Resolution No. CON/234/19. The Draft 2020/2021 IDP and Budget was adopted by Council on 26 March 2020, Council Resolution No. Con/45/20. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.





1.3.2. Phases in the Development of the IDP

The table below illustrates the process which was followed in the development and review of this IDP during 2019-2020 financial year.

Table 3: Phases in the development of the IDP

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
Preparation	July 19 – Sept 19	<ul style="list-style-type: none"> Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process; Accounting officers and senior officials of the municipality begin planning for next three-year budget; Accounting officers and senior officials of the municipality review options and contracts for service delivery; Process Plan prepared; Submit Process Plan to EXCO for noting and consideration on 29 August 2018 Submitted the Process Plan to Council for adoption 27 September 2018. IDP process plan advertised 1st IDP & Budget Rep Forum Meeting was held on 11 September 2018 	Approved Process Plan
Analysis	Oct 19 – Dec 19	<ul style="list-style-type: none"> Accounting officer does initial review of national policies and budget plans and potential price increases of services 2nd IDP & Budget Rep Forum Meeting held on 7 November 2018 Ward Committee Meetings 	Updated Situation Analysis
Objectives, Strategies & Projects	Nov 19 - Feb 20	<ul style="list-style-type: none"> District IDP Rep Forum Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements Council finalizes tariff (rates and service charges) policies for next financial year Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 29 January) 	Draft Budget
Integration	31 January 2020 – 31 March 2020	<ul style="list-style-type: none"> Strategic planning session to prioritize projects and programs IGR session to integrate programs and projects with other sector departments IDP Steering committee to prepare draft budget Accounting Officer finalizes and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous year's audited financial statements and annual report Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year Elundini strategic planning session held from the 17 to 21 February 2020. Council to approve draft IDP & Budget in March 2020 	Strategic Framework & Draft IDP
Approval	April 2020 – June 2020	<ul style="list-style-type: none"> IDP Steering Committee Council adopts draft IDP & Budget Draft IDP & Budget submitted to MEC for Local Government and to Provincial Treasury DM Rep Forum IDP Rep Forum (draft IDP & budget) Advertise for comments & public participation 	Final IDP, Budget, PMS & SDBIP

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	OUTPUT
		<ul style="list-style-type: none"> • Council interacts with public through ward meetings around draft Budget and IDP • Mayor's strategic planning session • IDP & Budget Rep Forum • Council approves final IDP & budget • Final IDP Submitted to MEC for Local Government and to Provincial Treasury • Summaries of the adopted IDP and Budget published for public information • SDBIP and draft performance agreements of Section 56 Managers submitted to Mayor and EXCO • SDBIP and final performance agreements of section 56 Managers to be approved by Council 	

1.4. IDP/Budget Process Plan for 2021/2022 IDP Review.

1.4.1. Introduction

IDP and Budget Process Plan for the review of the IDP for 2021/2022 financial year was developed simultaneously, for first time, together with the current IDP for 2020/2021 and was incorporated in this IDP. The IDP Process Plan was traditionally developed and tabled in the first quarter of each financial year. This improvement was necessitated by non-compliance findings which the municipality received in previous years. Thus it was necessary that the municipality changed the way of doing business in this area to avoid repeated findings. The ELM 2021/2022 IDP and Budget Process Plan was noted by EXCO on 18 June 2020 with Resolution No. EXCO/82/20 was adopted by Council on 24 June 2020 Council Resolution No. CON/90/20. The Draft 2020/2021 IDP and Budget was tabled to the Council on 26 March 2020, Council Resolution No. Con/45/20. The IDP Process as depicted in the figure below is a continuous cycle of planning, implementation and evaluation.

1.4.2. Legislative Background

1.4.2.1. The Integrated Development Plan

Section 35 (1) (a) of the Local Government: Municipal Systems Act 32 of 2000 (MSA) states that the IDP is the principal strategic planning instrument, which guides and informs all planning and development, and all decisions with regard to planning, management and development in a municipal area.

As stipulated in Section 25 of the MSA, an IDP adopted by a municipal council must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation of the plan;
- Form the policy framework and general basis on which annual budgets must be based;
- Complies with the provisions of the MSA, with the particular reference to Chapter 5; and
- Be compatible with national and provincial plans and planning requirements binding on the municipality in terms of legislation.

1.4.2.2. Adoption of the Municipal Process Plan

In terms of Section 28 of the Local Government: Municipal Systems Act, 32 of 2000:

- (1) each municipality Council, within a prescribed period after the start of its elected term, must adopt a process set out in writing to guide the planning, drafting, adoption and review of its integrated development plan;
- (2) the municipality must through appropriate mechanisms, processes and procedures established in terms of Chapter 4, consult the local community before adopting the process;
- (3) a municipality must give notice to the local community of particulars of the process it intends to follow.

1.4.2.3. Process to be followed

In terms of Section 29 (1) of the Local Government: Municipal Systems Act, 32 of 2000, the process to be followed by a municipality to draft its IDP, including its consideration and adoption of the draft plan, must:-

- (a) be in accordance with a predetermined programme specifying time-frames for the different steps;
- (b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for:-
 - (i) the local community to be consulted on its development needs and priorities;
 - (ii) the local community to participate in the drafting of the IDP; and
 - (iii) organs of state, including traditional authorities, and other role players to be identified and consulted on the drafting of the IDP;
- (c) provide for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation; and
- (d) Be consistent with any other matters that may be prescribed by regulation

1.4.2.4. Management of the drafting process

In terms of Section 30 of the Local Government: Municipal Systems Act, 32 of 2000, the Executive Committee of the municipality must, in accordance with section 29:-

- (a) manage the drafting of the municipality's IDP;
- (b) assign responsibilities in this regards to the Municipal Manager; and
- (c) submit the draft plan to the Municipal Council for adoption by the Council.

1.4.3. Sector Plans and Binding Plans to be included In IDP

Various Local Government legislation and regulations provide, among others, for the key sector plans that must be developed, approved implemented by municipalities. Table A below reflects some of the key sector plans that are required.

1.4.3.1. Key Sector Plans**Table A: Compulsory sector plans to be included in IDPs**

NO	SECTOR PLANS
1	Spatial Development Framework
2	Financial Plan
3	Applicable Disaster Management Plan
4	Integrated Transport Plan
5	Housing Sector Plan/Strategy
6	Environmental Management Plan
7	Water Services Development Plan, where applicable
8	(Integrated) Waste Management Plan
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)
10	Communication Strategy/Plan
11	Workplace Skills Development Plan
12	Employment Equity Plan
13	Human Resources Plan
14	Human Resource Development Strategy
15	Performance Management Framework and Policy
16	Recruitment and Selection Strategy
17	Scarce Skills Attraction and Retention Strategy
18	Succession Plan
19	Occupational Health And Safety Plan
20	Anticorruption and Antifraud Strategy
21	LED Strategy
22	Comprehensive Infrastructure Plan
23	Delegations Framework

The legislation requires that if a municipality that has not yet developed its municipal specific sector plans or strategies, it may adopt the relevant District plan or strategy through a Municipal Council's Resolution.

1.4.3.2. *Other Plans and Issues to be considered*

In terms of Section 153 of the Constitution of the Republic of South Africa, 1996 municipalities must participate in national and provincial development programmes. Moreover, section 25 (1) (a) of the MSA states that an IDP adopted by the Municipality must be compatible with national and provincial development plans and planning requirements binding on the municipality. Thus the following plans and issues must also be considered when drafting the municipal IDP:

- The National Development Plan
- New Growth Path
- National Spatial Development Perspective
- Medium Term Strategic Framework
- Provincial Strategic Framework
- Provincial Growth and Development Plan
- Mandate of Local Government
- Millennium Development Goals
- National and Provincial Service Delivery targets
- Municipal Turn Around Strategies
- Comments and inputs emanating from IDP processes
- Comments emanating from IDP engagement sessions
- Consideration of outcomes and inputs emanating from stakeholder engagements
- Amendments due to changing circumstances
- Need for general improvements of current processes and systems.
- Resource re-allocation and prioritization
- Organizational development and its intricacies
- Alignment with National and Provincial frameworks and plans
- Review of the previous years' plans and lessons learnt
- Reviewed sector plans;
- Council's strategic planning sessions
- National Key Performance Indicators
- Credible IDP Framework



The table B below summarises some other matters that must be considered during the review of the IDPs.

Table B: Framework Guide for credible IDPs

Focus Area	Delivery Focus Area	Performance Definition ¹
1. Service Delivery	Sanitation	What is the plan, in collaboration with the DM, to achieve the national targets on sanitation and needs of the area?
	Water	What is the plan, in collaboration with the DM, to achieve the national targets on water provision and management needs of the area?
	Electricity	What is the plan, in collaboration with ESKOM, to achieve the national targets on electricity provision and needs of the area?
	Refuse Removal	What is the plan to achieve the national targets on waste removal and management needs of the area?
	Municipal Roads	What plans are in place to address access roads as well as existing roads maintenance?
	Infrastructure plans	Other bulk infrastructure plans for this year.
	EPWP	Projects to be undertaken this financial year and number of job opportunities to be created.
2. Institutional Arrangements	Human Resource Strategy	What is your Human Resource Management Strategy? Organogram, number of posts vacant, when do you expect to fill them, any gaps etc.
	Skills Development Plan	Skills development and attraction strategy to address the delivery needs experienced by the municipality.
	Performance Management System	How is the system aligned to the IDP delivery targets, plans to monitor the implementation of the SDBIP. Is performance management implemented with respect to all relevant officials?
	Operations and Maintenance	What is the plan of maintaining existing infrastructure (i.e. buildings)
3. Local Economic Development	Alignment (NSDP; PGDS)	What is your LED plan, elements of alignment to the NSDP, PGDS, ASGI-SA projects (where relevant)?
	DM / LM interface	What contribution do we make to the Provincial and National growth and/or vice versa? Local LED contribution to the District economic growth.
	Special groups	Does the LED and the empowerment plans empower the local economy with women, youth and the disabled to participate in the economy?
	1 st and 2 nd Economies	Plans to ensure economic linkages and benefit between the local first and second economies. Specific second economy plans and possible number of beneficiary households.
4. Financial Management and Corporate Governance (Compliance with MFMA and MSA)	Submission of FS	Are the financial statements timeously (two months after end of financial year) submitted to the Office of the Auditor-General?
	Audits	Have the observations of the AG been acted upon in terms of corrective governance procedures and approaches on: a) the financial audit b) the performance audit

Focus Area	Delivery Focus Area	Performance Definition ¹
	Financial Plan (MSA s 26h)	Is there a financial plan that includes a budget projection for at least three years?
	Budget	Does the compilation and management of the budget comply with the provisions of the MFMA: sections 16 – 26? Are there measurable performance objectives for each vote in the budget, taking into account the IDP?
	Duties of office bearers re budget (Mayor: MFMA, sections 21-23 and 52 and 54) (Municipal Manager, sections 68-72)	Has the Mayor performed his or her budget duties: coordinated the processes, tabled a schedule 10 months before start of financial year and consulted with relevant stakeholders? Has the MM undertaken his or her reporting and administrative duties re the Act? Is the budget timetable adhered to (July to June)?
	Service Delivery and Budget Implementation Plan (SDBIP) (MFMA: Section 53)	The SDBIP is a tool approved by the Mayor to manage, implement and continuously monitor delivery of services, spending of budget allocations, performance of senior management and achievement of the strategic objectives set by the Council. Is this plan operative?
	SDBIP: Political and executive accountabilities	Has a Section 53 document been adopted by Council and are systems in place for effective strategic management?
	Division of Revenue DORA Equitable Share: Schedules 2 and 3 MIG (infrastructure transfers) Schedule 4B Capacity building Section 14	Municipalities need to demonstrate financial planning aligned to DORA (ES; MIG; Transfers for capacity-building) and have plans to both manage revenue shortfalls and enhance revenue collection.
	Revenue Management MFMA: s 61; MSA: s 95)	Check that the accounting officer is taking all reasonable steps to comply with legal requirements.
	Project Consolidate interventions	Is the role of CDW's articulated and incorporated into the IDP? Check budget for skills and capacity development projects.
	Community participation – budget (MFMA Section 22 – 23)	Has the draft budget been made public and a meeting held with the community to ascertain development priorities? Are these priorities incorporated into the IDP?
	Anti-corruption	Does the IDP convey a discernible commitment to clean and accountable governance and evidence of investigative action in cases of malpractice?
5. Governance	Public Participation	Check compliance with MSA: Have appropriate mechanisms, processes and procedures been put in place to enable the community to participate in the affairs of the municipality? E.g. Public meetings, availability of IDP to community; involvement of community in development, implementation and review of the municipality's performance management system; Were community involved in setting of appropriate key performance indicators and targets for the municipality? Are these initiatives reflected in the IDP?
	Code of Conduct for Councillors and municipal staff members (Sections 1 and 2, MSA)	Have all staff and members signed the Code of Conduct? Are the provisions of these sections adhered to re general conduct, duties disclosures? Does the community have access to the Codes of Conduct?
	Ward Committees	Total number of Ward Committees established as per the number of demarcated municipal wards; Are Ward Committee functional; do they comply with Terms of Reference of establishment? Does the IDP report on their contribution to development in the municipality?



Focus Area	Delivery Focus Area	Performance Definition ¹
	Communication	Is the municipality complying with MSA (S21) directives regarding communication to the local community? E.g. Official website should be established (if affordable; if not via an intergovernmental arrangement); Website or public place must contain documents to be made public in terms of the MPFMA and MSA. Are there indications of a positive interface between council, ward committee and community? Does the IDP demonstrate a commitment to communication?
6. Intergovernmental relations	Cooperative governance	MSA S3 defines how local government must develop cooperative approaches to governing, resource share and solve disputes and problems within context of IGR. Are these principles discernible in the IDP?
	Establishment of IGR Forums: Provincial – Premier's Forum Interprovincial forums; Local: District forums; Inter-municipality forums Role of IGR Forums to promote service delivery	The IGRF Act requires that there are provincial and district intergovernmental forum to promote and facilitate IGR between a) provinces and local government, and b) district and local municipalities. Is the IDP benefiting from intergovernmental dialogue? The forum must meet at least once a year with service providers and other role players concerned with development in the district, to coordinate effective provision of services and planning in the district. Does the IDP reflect engagement with forums?
	Reporting and sector involvement in planning	The Premier of a province must report to PCC on the implementation of national policy and legislation within the province. The role of sectors in local delivery must be clearly articulated. Is the IDP aligned to these obligations?
	Assignment of Powers and functions	Do appropriate intergovernmental agreements facilitate effective management of assignments within the municipality?
7. Spatial Development Framework	Sustainable Human Settlements	Check that municipalities are familiar with Housing dept policy on SHS and implications of new accreditation framework. Municipalities need to be working inter-governmentally to sustain joint planning in land access, economic and labour profiling, infrastructure delivery and provision of services.
	National Spatial Development Perspective (NSDP)	The updated NSDP is being communicated to provinces and municipalities between February and April. Ensure principles are understood and there are management plans to ensure these are incorporated into joint planning initiatives aligned to the NSDP economic and social profile for that province / region.
	Provincial Growth and Development Strategy (PGDS) Economic profile	New Guidelines are available for provinces and municipalities to structure their planning aligned to regional profiles and in spirit of economic and resource cooperation. Has the NSDP overview been extrapolated and integrated into local economic development initiatives based on local and regional economic realities?
	Geographic profile	Are studies undertaken to understand environmental and geographic characteristics of the region and the implications for economic spatial choices?
	Demographic profile	Have the demographics of the region in terms of household size, poverty statistics, migration, labour preferences, birth and death rates been factored into the spatial strategy of the municipality?

1.4.4. Time Schedule of Key Deadlines

The National Treasury Department provides guidance in terms of the key deadlines and activities for the IDP-Budget process applicable to municipalities as per the Municipal Systems Act of 2000 and the Municipal Finance Management Act of 2003 as reflected in table C below:



Table C: Time Schedule key deadlines and activities

Mayor to Table in Council 10 Months Prior to Start of Budget Year

Month	Mayor and Council / Entity Board	Administration - Municipality and Entity
July	<p>Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53</p> <p>Planning includes review of the previous year's budget process and completion of the Budget Evaluation Checklist</p>	<p>Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77</p> <p>Accounting officers and senior officials of municipality and entities review options and contracts for service delivery MSA s 76-81</p>
August	<p>Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended</p> <p>Mayor establishes committees and consultation forums for the budget process</p>	
September	Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	<p>Budget offices of municipality and entities determine revenue projections and proposed rate and service charges and drafts initial allocations to functions and departments for the next financial year after taking into account strategic objectives Engages with Provincial and National sector departments on sector specific programmes for alignment with municipalities plans (schools, libraries, clinics, water, electricity, roads, etc)</p>
October		<p>Accounting officer does initial review of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS</p>
November		<p>Accounting officer reviews and drafts initial changes to IDP MSA s 34</p>
December	Council finalises tariff (rates and service charges) policies for next financial year MSA s 74, 75	Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements
January	Entity board of directors must approve and submit proposed budget and plans for next three-year budgets to parent municipality at least 150 days before the start of the budget year MFMA s 87(1)	Accounting officer reviews proposed national and provincial allocations to municipality for incorporation into the draft budget for tabling. (Proposed national and provincial allocations for three years must be available by 20 January) MFMA s 36
February	Council considers municipal entity proposed budget and service delivery plan and accepts or makes recommendations to the entity MFMA s 87(2)	Accounting officer finalises and submits to Mayor proposed budgets and plans for next three-year budgets taking into account the recent mid-year review and any corrective measures proposed as part of the oversight report for the previous years audited financial statements and annual report

		Accounting officer to notify relevant municipalities of projected allocations for next three budget years 120 days prior to start of budget year MFMA s 37(2)
March	Entity board of directors considers recommendations of parent municipality and submit revised budget by 22nd of month MFMA s 87(2) Mayor tables municipality budget, budgets of entities, resolutions, plans, and proposed revisions to IDP at least 90 days before start of budget year MFMA s 16, 22, 23, 87; MSA s 34	Accounting officer publishes tabled budget, plans, and proposed revisions to IDP, invites local community comment and submits to NT, PT and others as prescribed MFMA s 22 & 37; MSA Ch 4 as amended Accounting officer reviews any changes in prices for bulk resources as communicated by 15 March MFMA s 42
April	Consultation with national and provincial treasuries and finalise sector plans for water, sanitation, electricity etc. MFMA s 21	Accounting officer assists the Mayor in revising budget documentation in accordance with consultative processes and taking into account the results from the third quarterly review of the current year
May	Public hearings on the budget, and council debate. Council consider views of the local community, NT, PT, other provincial and national organs of state and municipalities. Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for council consideration. Council to consider approval of budget and plans at least 30 days before start of budget year. MFMA s 23, 24; MSA Ch 4 as amended Entity board of directors to approve the budget of the entity not later than 30 days before the start of the financial year, taking into account any hearings or recommendations of the council of the parent municipality MFMA s 87	Accounting officer assists the Mayor in preparing the final budget documentation for consideration for approval at least 30 days before the start of the budget year taking into account consultative processes and any other new information of a material nature
June	Council must approve annual budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year MFMA s 16, 24, 26, 53 Mayor must approve SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with s 57(2) of the MSA. Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The mayor submits the approved SDBIP and performance agreements to council, MEC for local government and makes public within 14 days after approval. MFMA s 53; MSA s 38-45, 57(2) Council must finalise a system of delegations. MFMA s 59, 79, 82; MSA s 59-65	Accounting officer submits to the mayor no later than 14 days after approval of the budget a draft of the SDBIP and annual performance agreements required by s 57(1) (b) of the MSA. MFMA s 69; MSA s 57 Accounting officers of municipality and entities publishes adopted budget and plans MFMA s 75, 87

Abbreviations: IDP - Integrated Development Plan; MFMA - Local Government: Municipal Finance Management Act, No. 56 of 2003; MSA - Local Government: Municipal Systems Act, No. 32 of 2000, as amended; MTBPS - National Treasury annual publication, Medium Term Budget and Policy Statement; NT - National Treasury; PT - Provincial Treasuries; SDBIP - Service Delivery and Budget Implementation Plan



1.4.5. The 2021/22 IDP Compilation Process

1.4.5.1. Compilation Phases

The compilation of the 2021/22 IDP in the municipality will comprise of the following phases; preparation, analysis, strategies, projects, integration and approval phase (see figure 1 below).



Figure 1: Compilation of the 2021/22 IDP & BUDGET

1.4.5.2. Submission of Approved IDP to MEC for Department of Cooperative Governance and Traditional Affairs

In terms of Section 32 (1) of the MSA states that:-

- (a) The Municipal Manager of a municipality must submit a copy of the Integrated Development Plan as adopted by the council of the municipality and any subsequent amendment to the plan, to the MEC for local government in the province within 10 days of the adoption or amendment of the plan.
- (b) The copy of the IDP to be submitted must be accompanied by:-
 - (i) a summary of the process in terms of Section 29 (1);
 - (ii) a statement that the process has been complied with, together with any explanations that may be necessary to amplify the statement;

1.4.5.3. Drafting and Adoption of Municipal Budget

The drafting of the municipal budget is regulated in terms of the Local Government: Municipal Finance Management Act of 2003 (MFMA). Section 21(1) of the MFMA states that the Mayor of a municipality must:

- (a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- (b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:-
 - (i) the preparation, tabling and approval of the annual budget;
 - (ii) the annual review of:-

- (aa) the IDP in terms of section 34 of the Municipal Systems Act; and
- (bb) the budget related policies;
- (iii) the tabling and adoption of any amendments to the IDP and the budget-related policies; and
- (iv) any consultative process forming part of the processes referred to in (i), (ii) and (iii) above.

In order for the municipal council to adopt the budget of the municipality, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year in terms of Section 16 (2) of the MFMA, which annual budget must be approved by the Council, in terms of Section 16 (1) of the same Act, before the start of that financial year.

1.4.5.4. Implementation Management & Monitoring

Chapter 6 of the MSA requires municipalities to develop and implement performance management systems. A municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players. A performance management system must be adopted before or at the same time as the commencement by the municipality of the process of setting key performance indicators and targets in accordance with its integrated development plan. The system further provides the municipality with a mechanism of early warning for under-performance and promotes accountability and good corporate governance.

In order to implement the identified performance objectives and targets through the budget, S53 of the MFMA requires that the Mayor approves the municipality's Service Delivery and Budget Implementation Plan (SDBIP) within 28 days after the approval of the budget. The implementation of the SDBIP must be linked to the performance agreement that must be concluded in terms of the Municipal Manager and managers reporting to him, in terms of S57 of the MSA. In order to continually review municipal performance,

In terms of the Local Government: Municipal Planning and Performance Management Regulations of 2001 a municipality must, after consultation with the local community, develop and implement mechanisms, systems and processes for the monitoring, measurement and review of performance in respect of the key performance indicators and performance targets set by it. The mechanisms, systems and processes for monitoring and must:

- provide for reporting to the municipal council at least twice a year;
- be designed in a manner that enables the municipality to detect early indications of under-performance; and
- provide for corrective measures where under-performance has been identified.

A municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. In order to fully execute the function of auditing performance, S14 (2) (a) of the Regulations require that a municipality must annually appoint and budget for a performance audit committee.



1.4.5.5. Programmes and Time Frames

Due to the Covid-19 pandemic, all meetings will be held virtually to minimize human interaction. Below is a table of the proposed programme that summarizes the overall time frames for various phases and highlights some of the key events and activities:

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	POSSIBLE DATE
Preparation	June 2020 – Aug 2020	• Prepare Process Plan	June 2020
		• Presentation and submission of draft Process Plan to the EXCO	18 June 2020
		• Submit the Process Plan to Council for adoption	30 June 2020
		• Develop draft SDBIP	June 2020
		• MM to Submit SDBIP to the Mayor	July 2020
		• Mayor to review and finalize SDBIP and MM and directors' performance plans/agreements	July 2020
		• Submit the SDBIP to Provincial Treasury	July 2020
		• Submit MM and directors' signed performance agreements to MEC for Local Government	July 2020
		• 1 st IDP & Budget Technical/Steering Committee	15 July 2020
		• 1 st IDP & Budget Rep Forum	22 July 2020
		• 1 st District IDP Rep Forum	TBC by JGDM
Monitoring, Evaluation & Updated Analysis	Aug 2020 – Nov 2020	• Ward Surveys	August – Dec 2020
		• 2 nd IDP & Budget Technical/Steering Committee	11 November 2020
Objectives, Strategies, Projects & Programmes	Nov 2020 – Jan 2021	• 2 nd IDP & Budget Rep Forum	18 November 2020
		• 2 nd District IDP Rep Forum	November 2020
Consolidate IDP	Jan 2021 – April 2021	• Mayoral Strategic Planning Session	8-12 February 2021
		• 3 rd IDP & Budget Technical/Steering Committee	11 February 2021
		• Mid-year Budget and Performance Engagements/Assessments with Provincial Treasury.	February 2021
		• Attend District IDP Rep Forum	March 2021
		• 3 rd IDP & Budget Rep Forum	10 March 2021
		• Council considers draft IDP & Budget	31 March 2021
		• Advertise for comments & public participation	5 April 2021
		• Submit the draft IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting	5 April 2021
		• 2021/2022 Municipal Budget and Benchmark Engagements with Provincial Treasury	April 2021
Approval	April 2021 – Jun 2021	• Public Consultation on Draft IDP & Budget	5 – 9 April 2021
		• 4 th District IDP Rep Forum	May 2021
		• 4 th IDP & Budget Technical/Steering Committee	12 May 2021
		• 4 th IDP & Budget Rep Forum	19 May 2021
		• Develop draft IDP Process Plan for 2021/2022	May/June 2021

PHASES	PERIOD	KEY EVENTS/ACTIVITIES	POSSIBLE DATE
		<ul style="list-style-type: none"> Final 2021/2022 IDP Process Plan and IDP & Budget submitted to Council for adoption 	May/June 2021
		<ul style="list-style-type: none"> Submit the final IDP & Budget to MEC for Local Government and to National & Provincial Treasury for commenting 	June 2021
		<ul style="list-style-type: none"> Develop draft SDBIP 	June 2021
		<ul style="list-style-type: none"> MM to Submit SDBIP to the Mayor 	July 2021
		<ul style="list-style-type: none"> Mayor to review and finalize SDBIP and MM and directors' performance plans/agreements 	July 2021
		<ul style="list-style-type: none"> Submit the SDBIP to Provincial Treasury 	July 2021
		<ul style="list-style-type: none"> Submit MM and directors' signed performance agreements to MEC for Local Government 	July 2021

1.4.5.6. Process Action Plan

The IDP Process Action plan is depicted in table below:

No.	Activity	Purpose	Responsibility	Time frame
1	Conduct Process Plan consultative sessions	<ul style="list-style-type: none"> Reach consensus with stakeholders 	IDP Manager	June 2020
2	Adopt Framework and Process Plans	<ul style="list-style-type: none"> Guide the planning, drafting, adoption and review of the IDP and budget Establish committees and consultation forums for the IDP and Budget process 	Council	June 2020
3	Advertise approved SDBIP and submit to Province	<ul style="list-style-type: none"> Inform communities and stakeholders of the approved service delivery implementation plan 	Municipal Manager/IDP Manager	July 2020
4	Approve and submit performance agreements of Section 57 Managers to the Mayor and the MEC for Local Government in the Province	<ul style="list-style-type: none"> Inform Mayor and Provincial Government of the contents of the performance agreements of Section 57 Managers 	Municipal Manager/IDP Manager	July 2020
5	Conduct ward surveys	<ul style="list-style-type: none"> To monitor and evaluate progress and to update situational analysis 	IDP Manager	August – December 2020
6	Determine objectives and strategies	<ul style="list-style-type: none"> Outline the direction and development trajectory of the municipality and outline how to get there 	Council	November 2020 – February 2021
7	Compile draft SDBIP	<ul style="list-style-type: none"> Concretise expected service delivery targets with a view of informing the draft budget 	Municipal Manager	March 2021
8	Finalize Draft Budget related policies for next financial year.	<ul style="list-style-type: none"> Guide budget 	Budget and Treasury Office	March 2021
9	Table draft budget and draft IDP	<ul style="list-style-type: none"> Consolidate plans for delivery of services and attainment of the development trajectory of the municipality 	Mayor	March 2021
10	Submit draft SDBIP & evidence framework to auditors for SMARTNESS	<ul style="list-style-type: none"> Ensure SMARTNESS of indicators 	Municipal Manager/IDP Manager	April 2021

No.	Activity	Purpose	Responsibility	Time frame
11	Advertise and publish draft IDP and Budget for public comment and submit to National and Provincial Treasury and others as prescribed. Advertise draft tariffs	<ul style="list-style-type: none"> Facilitate community and stakeholder participation and consultation into the Draft IDP and budget 	Municipal Manager/IDP Manager	April 2021
12	Approve Final Budget and IDP, including tariffs, policies and performance indicators and targets	<ul style="list-style-type: none"> To ensure implementation of community service delivery needs and development aspirations 	Council	May 2021
13	Advertise final IDP, Budget and tariffs	<ul style="list-style-type: none"> Inform communities of the allocation of resources and implementation of their development priorities and targets 	Municipal Manager	June 2021
14	Approve Final SDBIP within 28 days of approval of budget	<ul style="list-style-type: none"> Set a budget and IDP implementation plan with clear targets 	Mayor	June 2021
15	Submission of final SDBIP & evidence framework to auditors for SMARTNESS	<ul style="list-style-type: none"> Ensure SMARTNESS of indicators 	Municipal Manager/IDP Manager	June 2021
16	Advertise approved SDBIP and submit to Province	<ul style="list-style-type: none"> Inform communities and stakeholders of the approved service delivery implementation plan 	Municipal Manager/IDP Manager	July 2021
17	Approve and submit performance agreements of Section 57 Managers to the Mayor and the MEC for Local Government in the Province	<ul style="list-style-type: none"> Inform Mayor and Provincial Government of the contents of the performance agreements of Section 57 Managers 	Municipal Manager/IDP Manager	July 2021

1.4.5.7. *Schedule of Meetings*

Table below provides a schedule of key dates for the various structures within the municipality and at the District level:

Activity	ELM Date	JGDM Date	Timeframe/ Milestone	Purpose
IDP and Budget Representative Forum	22 July 2020	???	Meeting 1	Discuss service delivery status quo
	18 November 2020	???	Meeting 2	Discuss priorities, objectives and project proposals
	10 March 2021	???	Meeting 3	Discuss strategies and draft projects
	19 May 2021	???	Meeting 4	Consolidate final projects
			All meetings	Stakeholders to present implementation progress reports of their projects/programmes in all meetings

1.4.5.8. Process for Amending an Adopted IDP

In terms of Municipal Planning and Performance Management Regulations of 2001, Gazette No. R. 796, S3 only a member or committee of a municipal Council may introduce a proposal for amending the municipality's integrated development plan in the Council. Any proposal for amending a municipality's Integrated Development Plan must be aligned with the framework adopted in terms of S27 of the MSA.

In terms of the regulations, no amendment to a municipality's IDP may be adopted by the municipal Council unless:

- ✓ all the members of the Council have been given reasonable notice;
- ✓ the proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment;
- ✓ the municipality, if it is a district municipality, has consult all the local municipalities in the area of the district municipality on the proposed amendment and has taken all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment;
- ✓ the municipality, if it is a local municipality, has consulted the district municipality in whose area it falls on the proposed amendment, and has taken all comments submitted to it by the district municipality into account before it takes a final decision on the proposed

1.4.6. Mechanisms and Procedures for Public Participation

Notwithstanding the network connectivity challenges in the far-flung rural parts of the municipality and following national government's lockdown regulations due to the Covid-19 pandemic, all public participation process and community engagements will be held virtually in order to minimize human interaction. The municipality's Public Participation and Communication Units, together with Ward Councillor and Traditional Leaders will have to devise mechanisms on how best communities can be part of the municipality's public participation processes during this time of Coronavirus.

One of the main features about IDP and Budget Processes is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are being experienced by the citizens. Both the Constitution of the Republic of South Africa, 1996 and the Municipal Systems Act of 2000 stipulate that one of the objectives of municipalities is "To encourage the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation.

Through the Municipal Systems Act, participation in the decision-making processes of the municipality, participation of communities, residents and ratepayers is determined to be a right. The IDP is, therefore, also emphasized as a special field of public participation.

It is therefore evident that public participation should be promoted in order to achieve, *inter alia*, the following objectives:

- Consult with the community on their developmental challenges
- Form basis for people-centred governance and bottom-up planning process
- Improve the relationship between council and the communities and thereby improve political accountability and transparency
- Empower communities through information dissemination/assimilation
- Establish the community feedback programme, which allows local leaders the opportunity to interact with communities on issues of service delivery.
- Provide communities with a platform to influence the developmental trajectory of municipalities and government in general
- Provides the municipality with a project/programme evaluation and implementation monitoring feedback mechanism



1.4.6.1. Participation Mechanism

Provisions of MSA Chapter 4 Section 17 provide for mechanisms for participation:

- IDP Rep Forum to verify and add data;
- District Municipality's Rep Forum to ensure that local priorities are adequately reflected on the District's IDP;
- Use Ward Councillors to call meetings to keep communities informed on IDP progress (including Ward Committees and CDWs);
- Publish annual reports on municipal progress;
- Advertise on local newspapers and community radios on the progress;
- Develop pamphlets and booklets on IDP where necessary;
- Making the IDP document available to all units and public places for public comments; and
- Making use of municipal notice boards; municipal website and municipal newsletter.

1.4.6.2. Appropriate Language Use

English will be used as a medium language; however, in community meetings languages that are spoken in that community will also be used.

1.4.6.3. Appropriate Venues And Transport

- Officials will be responsible for arranging venues and transport for all wards;
- Transport will be arranged for Traditional Leaders, Designated Groups and Ward Committees;
- ELM will be responsible for the costs of these meetings
- ELM will prepare a budget outline for IDP & Budget meetings
- Refreshments will be provided at the discretion of the Municipal Manager.

1.4.6.4. Involvement Of Traditional Leadership

Section 81 of the Local Government: Municipal Structures Act states that traditional authorities may participate in council matters through their leaders and those traditional leaders must be allowed to attend and participate in any meeting of the council". The act further stipulates that the Council should give traditional authorities a chance to express their views if the matter in question directly affects the area of a traditional authority. It is therefore of vital importance that they continue to contribute in enhancing community participation in council matters and in government at large.

1.4.6.5. Involvement Of Ward Committees And CDWs

Ward committees are key in this process as espoused both in the Municipal Structures Act and the MSA. Ward committees represent the development aspirations and needs of the wards they represent and also form an information assimilation/dissemination mechanism between a municipal council and the community. The ward committees are key in the development, implementation, monitoring and evaluation of municipal performance on service delivery as espoused in the municipal IDPs.

Ward committees as one formal element of public representation in government affairs, in terms of the Structures Act of 1998, should be established in each ward. This will deepen the involvement of local communities in local governance processes such as Integrated Development Planning (IDP), the budget, performance management and service delivery. This applies in respect of implementation, monitoring and evaluation as well as planning. Thus, ward committee members and ward councillors should play a key role in mobilising the communities as well as in the identification of the developmental matters concerning the wards they are representing in the municipalities.

1.4.7. Alignment between the District and Local Municipalities

Alignment is the instrument that synthesises and integrates the top-down and the bottom-up planning process between different spheres of government. Not only is alignment between the District and the Local Municipalities important, but also between the Local Municipalities within the jurisdiction of the District Municipality. The alignment procedures and mechanisms should be incorporated in the process plans of the Municipalities, while the responsibility for alignment rests with the District Municipalities.



Manager: IDP, PMS, RM and M&E of the municipality is responsible for ensuring smooth coordination of local municipal IDP reviews and their alignment with the district IDP compilation through the use of workshops/engagements and bilateral discussions with affected sector departments or municipalities. The Inter-Governmental Forum will also be used to ensure that beneficial alignment of programmes and projects occur.

1.4.8. Roles and Responsibilities between the Three Spheres of Government

Table D overleaf summarizes the distribution of roles and responsibilities between the spheres of government. Roles for the District and the role for local municipalities are also outlined. It will be critical that the duties between council, administration and communities are clearly outlined. The summary of the roles and responsibilities of the discussed external and internal role players is depicted in table D

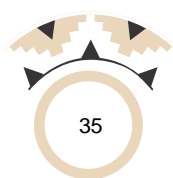


Table D: Distribution of roles and responsibilities between the three spheres of government

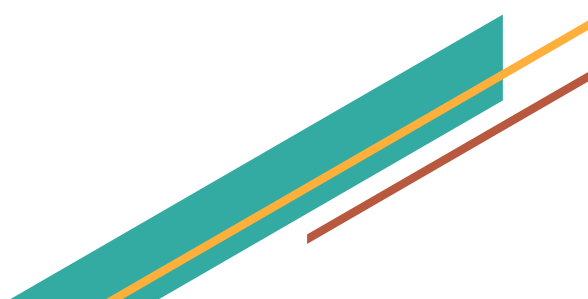
Responsibility	Stakeholders	Local Municipality	Provincial Government	National Government
	<p>Local Government District</p> <ul style="list-style-type: none"> Ensuring vertical alignment between district and local planning; Facilitation of vertical alignment of IDPs with other spheres of government and sector departments; Preparation of joint strategy workshops with local municipalities, provincial and national role players and other subject matter specialists Determine district scale issues, problems, potentials and priorities. Ensuring that all relevant actors are appropriately involved; Ensuring that appropriate mechanisms and procedures for public consultation and participation are applied; Ensuring that the planning events are undertaken in accordance with the time schedule; Adopt and approve the IDP Adjust the IDP in accordance with the MEC for Local Government's proposal Ensure that the annual budget processes are undertaken 	<ul style="list-style-type: none"> Prepare, decide on and adopt a Process Plan. Ensuring that all relevant actors are appropriately involved; Ensuring that appropriate mechanisms and procedures for public consultation and participation are applied; Ensuring that the planning events are undertaken in accordance with the time schedule; Adopt and approve the IDP Adjust the IDP in accordance with the MEC for Local Government's proposal Ensure that the annual budget processes are undertaken 	<ul style="list-style-type: none"> Ensuring horizontal alignment of the IDPs of the district municipalities within the province. Ensuring vertical/sector alignment between provincial sector departments strategic plans and the IDP process at local/district level by: <ul style="list-style-type: none"> guiding the provincial sector departments' participation in and their required contribution to the municipal planning process; and Guiding them in assessing draft IDPs and aligning their sectoral programmes and budgets with the IDPs. Assist municipalities in the IDP drafting process where required and Monitoring the progress of the IDP processes. Organise IDP – related training where required. Co-ordinate and manage the MEC's assessment of adopted IDPs. Contribute relevant information on the provincial sector departments' plans, programmes, budgets, objectives, strategies and projects in a concise and accessible manner; Contribute sector expertise and technical knowledge to the formulation of municipal strategies and projects 	<ul style="list-style-type: none"> Provide support to Provincial and Local Government Provide legal framework and policy guidelines and principles Provide a set of planning tools or methods; Cater for the elaboration of a general framework for training programmes and curricula development; Contribute to the planning costs; Provide a nation-wide planning support system; Monitor the planning and implementation process; and Provide opportunities for exchange of ideas and experiences.

Table E: Duties of council, administration and community

DUTIES OF MUNICIPAL COUNCIL	DUTIES OF MUNICIPAL ADMINISTRATION	DUTIES OF COMMUNITIES
<ul style="list-style-type: none"> The council of a municipality has the right to govern on its own initiative the local government affairs of the local community; Exercise the municipality's executive and legislative authority, and to do so without improper interference; Finance the affairs of the municipality by charging fees for services and imposing surcharges on fees, rates on property, other taxes, levies and duties Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community; Provide, without favour or prejudice, democratic and accountable government; Encourage the involvement of the local community in the affairs of the council; Strive to ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner; Give members of the local community equitable access to the municipal services to which they are entitled; Promote and undertake development in the municipality; Promote gender equity in the exercise of the municipality's executive and legislative authority; Promote a safe and healthy environment in the municipality; Contribute, together with other organs of state, to the progressive realisation of the fundamental rights contained in Sections 24 	<ul style="list-style-type: none"> Be responsive to the needs of the local community; Facilitate a culture of public service and accountability amongst staff Take measures to prevent corruption; Establish clear relationships, and facilitate co-operation and communication between it and the local community; Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive; Inform the local community how the municipality is managed of the costs involved and the persons in charge. Forms the machinery of a municipality Undertake the overall management and co-ordination of the planning process; Ensure that all relevant actors are appropriately involved in municipal planning processes, Ensure that the planning process is participatory, strategic and implementation orientated and is aligned with and satisfies sector planning requirements; Respond to comments from the public on the draft IDP and budget Horizontal alignment and other spheres of government to the satisfaction of the municipal council; Ensure that the needs and priorities of the community are reflected in the IDP. To ensure that the public participates fully and meaningfully in developing the municipal IDP process. 	<ul style="list-style-type: none"> Contribute to the decision-making processes of the municipality Submit written or oral recommendations, representations and complaints to the municipal council or to another political structure or a political office bearer or the administration of the municipality; To prompt responses to their written or oral communications, including complaints, to the municipal council or to another political structure or a political office bearer or the administration of the municipality; To be informed of decisions of the municipal council, or another political structure or any political office bearer of the municipality, affecting their rights, property and reasonable expectations; To regular disclosure of the state of affairs of the municipality including its finances To demand that the proceedings of the municipal council and those of its committees must be open to the public, subject to section, be conducted impartially and without prejudice; and be untainted by personal self-interest; To have access to municipal services which the municipality provides; Members of the local community have the duty when exercising their rights, to observe the mechanisms, processes and procedures of the municipality; Members of the local community have the duty to pay promptly service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality; To comply with by-laws of the municipality applicable to them. The community must fully participate in governing their municipality by attending IDP meetings The community must inform its municipality of their developmental needs, their problems, challenges and priorities (e.g. Lack of roads, housing, electricity, clean water, etc.). Participate and influence municipality's budget To be fully involved in the planning processes To provide relevant information to the councillors, ward committees and CDWs



DUTIES OF MUNICIPAL COUNCIL	DUTIES OF MUNICIPAL ADMINISTRATION	DUTIES OF COMMUNITIES
(safe and healthy environment), 25 (access to property), 26 (access to housing), 27 (access to Health care, food, water and social security and 29 (access to education) of the Constitution.		<ul style="list-style-type: none"> ▪ To participate in ward and community meetings and raise their developmental aspirations, service delivery challenges and issues ▪ To assist in facilitating implementation and monitoring of projects ▪ To participate and inform government programmes such as community policing forums



1.4.9. Organizational Arrangements

The IDP preparation process requires an extensive consultation and participation of communities, all roleplayers and key stakeholders in order to achieve shared understanding of the municipal development trajectory and alignment. Although municipalities are expected to establish participation structures, it will however be critical to consider utilising existing arrangements, and adapt them if necessary, and avoid duplication of mechanisms. Table F presents the institutional arrangements focusing on a structure, composition and terms of reference aspects.

Table F: ELM IDP Institutional Arrangements

STRUCTURE	MEMBERS	TERMS OF REFERENCE
IDP & Budget Steering Committee	For the purpose of providing technical assistance to the mayor in discharging his or her duties in terms of sub-rules (1) to (3), the mayor must establish a budget steering committee comprising at least the following persons: (i) the member of the executive committee responsible for financial matters, if such appointment has been made; (ii) the municipal manager; (iii) the chief financial officer; (iv) the senior managers responsible for at least the three largest votes in the municipality; (v) the manager responsible for budgeting, if such manager has been appointed; (vi) the manager responsible for planning, if such manager has been appointed; and (vii) any technical experts on infrastructure.	In conformity with section 53 of the Municipal Finance Management Act, the mayor must - (a) provide general political guidance over the budget process and the priorities that must guide the preparation of the municipal budget; (b) co-ordinate the annual revision of the integrated development plan in terms of section 34 of the Systems Act and the preparation of the annual budget, and determine how the integrated development plan is to be taken into account or revised for the purposes of the budget; and (c) take all reasonable steps to ensure - (i) that the municipality approves its annual budget before the start of the budget year; (ii) that the municipality's service delivery and budget implementation plan is approved by him or her within 28 days after the approval of the budget; and (iii) that the annual performance agreements as required in terms of section 57 (1) (b) of the Systems Act for the municipal manager and all senior managers - (aa) comply with this Act in order to promote sound financial management; (bb) are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan; and (cc) are concluded in accordance with section 57 (2) of the Systems Act. (2) The mayor must promptly report to the council and the MEC, any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements referred to in sub-rule (1)(c)(iii). (3) The mayor must ensure - (a) that the revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter, as set out in the service delivery and budget implementation plan, are made public no later than 14 days after the approval of the service delivery and budget implementation plan; and (b) that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed in terms of the Finance Management Act are made public no later than 14 days after the

STRUCTURE	MEMBERS	TERMS OF REFERENCE
		approval of the municipality's service delivery and budget implementation plan and that copies of such performance agreements are submitted to the council and the MEC.
Finance Sub-committee	Chair: Mr. J. Mdeni (CFO) Ms F. Mbaliswana-Vellem (BTO)	Considers budget proposals
IDP & Budget Rep Forum	Chair: Mayor: Cllr Lengs Secretariat: IDP Unit Composition: <ul style="list-style-type: none"> • All councillors • HODs and Managers • 2 Reps from Ward Committees • All CDWs • 2 Reps from Traditional Leaders • 1 Rep from Stakeholder representatives of organized groups • 2 Reps from Community representatives • Reps from Sector Depts. • 2 Reps from Advocates for unorganized groups 	<ul style="list-style-type: none"> • Represents interests of their constituencies in the IDP processes • Provide an organizational mechanism for discussion, negotiation and decision making between stakeholders including the municipal government. • Monitor performance of the planning and implementation processes • Participates in the process of setting up and monitoring KPIs
Manager: IDP	IDP Unit	<ul style="list-style-type: none"> • Responsible for preparing the Process Plan • Responsible for the day-to-day management of the planning process
IDP & Budget Technical Committee	Chair: Mr. K. Gashi (Municipal Manager) Composition: All HODs; Managers and officials reporting directly to the HODs	<ul style="list-style-type: none"> • Must provide relevant technical, sector and financial information for analysis for determining priority issues • Must contribute technical expertise in the consideration and finalization of strategies and identification of projects • Must provide departmental operational and capital budgetary information • Must be responsible for the preparation of project proposals, the integration of projects and sector programmes • Must be responsible for preparing amendments to the draft IDP for submission to Municipal Council for approval

1.4.10. Process for Amending An Adopted Idp

Any proposal for amending a municipality's integrated development plan must be aligned with the framework adopted in terms of S27 of the MSA.

- ◆ No amendment to a municipality's integrated development plan may be adopted by the municipal council unless:
- ◆ All the members of the council have been given reasonable notice;
- ◆ The proposed amendment has been published for public comment for a period of at least 21 days in a manner that allows the public an opportunity to make representations with regard to the proposed amendment;
- ◆ The municipality, if it is a district municipality, has consult all the local municipalities in the area of the district municipality on the proposed amendment and has taken all comments submitted to it by the local municipalities in that area into account before it takes a final decision on the proposed amendment.

- ♦ The municipality, if it is a local municipality, has consulted the district municipality in whose area it falls on the proposed amendment, and has taken all comments submitted to it by the district municipality into account before it takes a final decision on the proposed.

1.4.11. Amendment of Process Plan

The Municipal Council, through the EXCO has a central role in monitoring the implementation of the Process Plan. Nevertheless, should there be a need to amend the municipal Process Plan the following process will be pursued:

- The ELM shall after each phase of the IDP to assess progress on the implementation of the Process Plan
- Each municipality must inform the District Municipality on likely deviations;
- A municipality must submit to the District a recommendation for amendment(s) to the District Framework Plan as and when required after the approval of the Municipal Council concerned;
- The approval of any amendment to the District Framework Plan is a competency of the District Council.

1.4.12. Conclusion

This Process Plan was compiled in terms of Section 28 of the Local Government: Municipal Systems Act, 32 of 2000 and therefore the provisions of this document shall be followed by the municipality in the compilation of its 2021/2022 Process Plans and ultimately the compilation and adoption of the 2021/22 Integrated Development Plan and Budget.

1.5. Key Developmental Challenges

The situational analysis reflected the following as the overarching development challenges in Elundini's development:

- ✓ Huge infrastructure development backlogs
- ✓ High rate of unemployment with decreasing levels of employment in key economic sector (Agriculture)
- ✓ Low levels of skills development and literacy
- ✓ Limited access to basic household and community services;
- ✓ High dependency on government grant
- ✓ Loss of Natural Capital
- ✓ Unutilized suitable land for agriculture and forestry production
- ✓ Lack of value adding initiatives
- ✓ Unsustainable developmental practices
- ✓ Inadequate energy and water supply;
- ✓ Inadequate food security;
- ✓ Waste Management
- ✓ Cost recovery and revenue collection

1.6. IDP Assessments

Every effort is made by the municipality in addressing all issues raised on our IDP when IDPs are assessed. As can be noted from the table below, the municipality has improved and has consistently been getting high rating in all the KPAs assessed on over the last four (5) years:

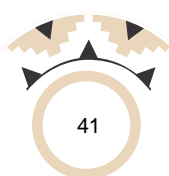


Table 4: IDP Assessment Results

KPA	RATING 2014/2015	RATING 2015/2016	RATING 2016/2017	RATING 2017/2022	RATING 2018/2019	RATING 2019/2020
Spatial Development Framework	High	High	High	High	High	High
Service Delivery	Medium	High	High	High	High	Medium
Financial Viability	High	High	High	High	High	High
Local Economic Development	High	High	High	High	High	High
Good Governance & Public Participation	High	High	High	High	High	High
Institutional Arrangements	High	High	High	High	High	High
Overall Rating	High	High	High	High	High	High

1.7. IDP Assessment Response Plan

IDP Provincial Assessments were held on 30 July 2019 on the municipality's 2019 – 2020 IDP. The table below depicts areas that had been raised during IDP Assessments and the progress that has been made by the municipality in addressing them during the development of the 2020 – 2021 IDP:

Table 5: IDP Assessment Response Plan

KPA	AREAS THAT NEED IMPROVEMENT/EXPRESSION IN THE IDP DOCUMENT	PROGRESS TO DATE
1. Spatial Planning, Land and Human Settlements	-	-
1.4. Environmental Management	a) Does the IDP reflect the presence of an air quality management plan (AQMP) as contemplated in Section 15(2) of the NEMA: Air Quality Act 39 of 2004	✓ ELM does not have an Air Quality Management Plan and Air Pollution By-laws in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA).
1.4.1. Air Quality Management		
1.4.2. Climate Change	a) Does the municipality have a climate change response strategy or activities that respond to climate change?	✓ The municipality does not have a climate change response strategy and has indicated that it needs to develop it an active participant of the Climate Change, Waste and Environment SALGA Forum, DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum.
1.4.3. Natural Environmental Analysis	b) Is there an indication of how the municipality intends to use and protect its natural resources/protected areas and heritage as its comparative and competitive advantage? e) Are there any projects that address environmental challenges g) Are there any environmental by-laws in place? How are they enforced? h) Is there an indication of the capital projects that will require	✓ Has been addressed and highlighted on the IDP ✓ Has been addressed and highlighted on the IDP

KPA	AREAS THAT NEED IMPROVEMENT/EXPRESSION IN THE IDP DOCUMENT	PROGRESS TO DATE
	environmental authorization to comply with an EIA process? j) Does the IDP reflect National and Provincial Initiatives (human resources and projects)?	
2. Service Delivery and Infrastructure Planning		
2.3. Waste Management Services	b) Does a municipality have a formally appointed and designated waste management officer? a) Does the Municipality have a Trade Effluent Policy? b) Is there a budget for Operations and maintenance being ring fenced for the above purpose? a) Does the municipality have an integrated community safety plan?	✓ Appointed and reflected on the IDP ✓ Does not have and still has to develop and is reflected in the document ✓ Reflected on the document
1.5. Safe And Secure Environment	a) Has Municipality reviewed the adopted Disaster Management Framework? b) Is the District/Metro disaster management centre established that meets minimum requirements i.t.o the National Disaster Management Policy Framework?	✓ The Department of Safety and Liaison still has to assist the municipality in developing its safety plan
1.6. Disaster Management /Emergencies and Fire Services	c) Has the disaster management centre conducted vulnerability and risk assessment (both natural and man-made?) d) Has the disaster management centre developed strategies / programmes for community vulnerabilities and risks identified? e) Has the Municipality adopted a disaster management plan? f) Is the municipal Spatial Development Plan informed by disaster vulnerability and risk assessment reports? g) Are emergency procurement measures stipulated in the disaster management plan? h) Are disaster management by-laws adopted? i) Is the municipality operating a fulltime fire service? j) Are fire services tariffs developed, adopted, implemented and periodically reviewed? k) Is there a plan to address veld and forest fires, oil spillages, floods?	✓ Still has to develop its own

KPA	AREAS THAT NEED IMPROVEMENT/EXPRESSION IN THE IDP DOCUMENT	PROGRESS TO DATE
2. Financial Planning and Budgets	No issues were raised	
4. Local Economic Development	No issues were raised	
5. Good Governance & Public Participation	c) Is there a Legal Management Sytem in place (litigation register)	- Not in place
6. Institutional Arrangements	a) Development of HR Strategy	- Still has to develop

In developing the 2020 – 2021 IDP, a reflection will be made on issues that were raised during the Provincial IDP Assessments held in July 2019. The municipality will make great strides to address issues that are within its capacity expect for the areas that it has no control over.

1.8 Powers and Functions

The Constitution indicates that the objects of local government are:

- ✓ To promote democratic and accountable government for local communities;
- ✓ To ensure the provision of services to communities in a sustainable manner;
- ✓ To promote social and economic development;
- ✓ To promote a safe and healthy environment; and
- ✓ To encourage the involvement of communities and community organizations in the matters of local government.

Within this Constitutional role, powers and functions have been defined in terms of the Local Government: Municipal Structures Act as amended. The powers and functions indicated by **x** below indicate those powers and functions that are performed by either the JGDM or the Elundini Municipality or both:

Table 6: Powers and Function

FUNCTION	JGDM	ELM
SCHEDULE 4 PART B		
Air pollution	X	
Building regulations		X
Child care facilities		X
Electricity reticulation	X	X
Fire fighting	X as per regulation	X
Local tourism	X as per White Paper	X
Municipal airports		X
Municipal planning	X	X
Municipal Health Services	X	
Municipal Public Transport		X
Pontoons and Ferries		
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
SCHEDULE 5 PART B		
Beaches and amusement facilities		
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X

Control of public nuisances		X
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		X
Fencing and fences		X
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
ADDITIONAL AGENCY FUNCTIONS PERFORMED		
Licensing of vehicles		X
Primary Health Care	X	
Road maintenance	X	

1.9 Intergovernmental Relations

The ELM has prioritized the IGR as one of its priority areas of focus to strengthen and has thus established an IGR structure that incorporates all IGR activities in the municipality that will also ensure that the structure is used as a reporting structure for all government activities. The ELM uses various platforms to promote intergovernmental relations and to interact with other government departments and State Owned Entities. These IGR platforms include, but not limited to, IDP & Budget Rep Forums, MUNIMEC, DIMAFO, SALGA Working Groups, Provincial and District Speakers' Forum, Local Communicators Forums, LED Forums, Roads Forums, Project Steering Committees, Local AIDS Forums, etc. One-on-one engagements where possible are usually held for strategic projects.

1.9.1 MUNIMEC

The MUNIMEC has been established in terms of the provisions of the Intergovernmental Relations Act as a consultative forum between the Eastern Cape Provincial Government and the 39 municipalities in the Eastern Cape Province. To give credence to output 7 of delivery outcome 9, the provincial department of Local Government and Traditional Affairs is responsible for coordinating the activities of MUNIMEC. The MUNIMEC is attended by Mayors and Municipal Managers of municipalities. The department has also constituted a technical MUNIMEC which is a forum between the departmental management as led by the Superintendent General and the Municipal Managers from municipalities. At the technical MUNIMEC and the MUNIMEC, reports from the 6 district municipalities and the Nelson Mandela Metro, inter alia, whose main focus is progress with the implementation of the municipal turnaround strategies within the DMs and their constituent local municipalities as well as the Metro are presented and discussed. Both the Mayor and the Municipal Manager of the ELM participate and contribute in the provincial MUNIMEC.

1.9.2 District Mayors Forum: DIMAFO

The District Mayors Forum of Joe Gqabi District, chaired by the Mayor of JGDM, which is supposed to sit quarterly to align key programs and issues between municipalities. DIMAFO is a Section 79 Committee. This is a special committee of council made up of Councillors (in this case the Mayors of the local municipalities and the Executive Mayor of the district) that deals with issues within the Municipal Managers office (communications, IGR, Special Programs dealing with Women, Youth, Disabled, People living with Aids, Elderly

and Children) as well as internal audit functions. Key elements that form part of the performance of the municipal manager also form part such as statutory compliance issues.

1.9.3 SALGA Working Groups

In order to share best practices in local government, SALGA has established a cluster of working groups. These working groups are replicated at a provincial level, and their structuring sometimes transcends the municipality's departmental divide. In order to ensure effective participation of the municipality into the SALGA working groups, the ELM has appointed the following councillors who will represent it not those working groups:

Table 7: Councillors Participating in SALGA Working Groups

COUNCILLOR	WORKING GROUP
N. Nkalitshana	Economic Empowerment and Employment Creation
S. Magadla	Environmental Planning and Climate Resilience
M. Mqamelo	Municipal Finance and Fiscal Relations
M. Naketsana	Community Development and Social Cohesion
M. Marubelela	Water, Sanitation and Waste Services
T. May	Public Transport and Roads
M. Leteba	Capacity Building and Institutional Resilience
V. Hokwana	Governance, Intergovernmental Relations and Councillor Welfare and Empowerment
Cllr Mbombo	Human Settlement and Municipal Planning
K. Mgijima	Municipal Innovation and Information Technology

The elected councillors have a responsibility of reporting back to the municipal council the deliberations and decisions taken on their respective clusters for the municipality to take its own appropriate decisions on the subject matter.

1.9.4 Traditional Leadership – Partnerships

In terms of the guidelines issued by the MEC for Local Government and Traditional Affairs in 2011, seven Traditional Leaders identified by the MEC are serving in the Municipal Council and its Committees with effect from 18 November 2011. Due to the rural nature of the Elundini Municipality, the participation of and cooperation with Traditional Leaders is critical for the success of the municipality's development programs. To this end the municipality has categorized Traditional Leaders as a key stakeholder that the Mayor converses with on a regular basis under the guise of Mayor's Conversations with stakeholders. In recognition of the valuable contribution of Traditional Leadership authorities in the programs of Elundini Municipality, the Council has adopted guidelines in terms of which assistance is being provided to Traditional Leaders on certain defined occasions.

1.10 Public Participation

One of the main features about integrated development planning and budget process is the involvement of community and stakeholder organizations in the process. This ensures that the IDP addresses the real issues that are experienced by the citizens. The Constitution stipulates that one of the objectives of municipalities is "to encourage the involvement of communities and community organizations in the matters of local government". The White Paper on Local Government also put emphasis on public participation. Through the Municipal Systems Act participation in the decision making processes of the municipality is determined to be a right of communities, residents and ratepayers. Integrated development planning is emphasized as a special field of public participation.

The ELM has a fully functional Public Participation Unit located in the Office of the Municipal Manager which is responsible for coordinating all public participation activities of the municipality. The ELM reviewed and approved its Public Participation Strategy in June 2018.

1.10.1 Public Participation Mechanisms

The following are some of the public participation mechanisms that the ELM uses in engaging with its communities:

- ✓ Ward Based Planning processes;
- ✓ Ward War Room meetings;
- ✓ IDP Representative Forum;
- ✓ Mayor's conversations with different stakeholders;
- ✓ Public Participation Forum;
- ✓ Ward community meetings convened by Councilors on quarterly basis;
- ✓ Published annual reports on municipal progress;
- ✓ Ward Committee meetings;
- ✓ Newspaper advertisements and notices;
- ✓ Making the IDP document available to all members of the public;
- ✓ Outreaches by Elundini Municipality to communities and Stakeholders;
- ✓ Use of loud hailers to invite communities to meetings;
- ✓ Information dissemination through the Blue Snow/ Lehloa Le Bolou newsletter and The Back of the Horizon;
- ✓ Stakeholder Forums such as Farmers' Forum; Local Communicators Forums; Local AIDS Council; Roads Forums; Elundini Sports Council; Elundini Youth Council; PWD Structure; etc.

1.10.2 Public Participation Challenges

As part of reviewing the strategy, the public participation performance of the institution was assessed. Functionality of public participation platforms such as ward Committees, village and township-based meetings and war rooms was assessed. The following issues were identified as challenges for effective participation of communities in the affairs of the municipality:

❖ Ward Committees

- ✓ Lack of capacitation of the ward committees
- ✓ Lack of capacity of chairpersons of the ward committees
- ✓ Lack of proper mechanism to uplift the issues raised at ward committee level to relevant structures and eventually to council for implementation and feedback
- ✓ Poor or lack of monitoring of wards performance

❖ Village Meetings

- ✓ Poor sitting of village meetings which leads to ineffective utilization of CPLWs.
- ✓ Lack of training in minute taking and report writing for the CPLWs
- ✓ Lack of proper system for information management from the community to the municipality and sector departments for report back
- ✓ Minimal commitment from CPLWs who resign frequently
- ✓ Chairpersons' competing commitments mostly with programs of the district municipality to the detriment of local municipal programs

❖ Information Management

- ✓ Poor recording of information including minutes during public participation engagements
- ✓ Lack of information management system to process and
- ✓ There is no clear flow of information between the different platforms
- ✓ No relationship between the IDP outreaches, the village meetings, the ward committee meetings and the Public Participation Forum



1.11 Communications

The ELM has reviewed and adopted its Communications Strategy in 2017 implementable until 2022. A fundamental difference between the previous strategy and the reviewed strategy is the embracing of social media as one of the key strategic communication platforms for effective and instant communication. Social media has been added as the fourth pillar in the strategy. The strategic thrust of this communication strategy is the following:

- Social media communication
- Information technology-based communication,
- Meet and Greet communication and
- Print communication.

The strength of this communication strategy will lie heavily on social media, meet and greet, and print communication. Information Technology-based communication will be used whenever possible and feasible or whenever resources allow. As a means of interacting and providing information to its communities, the municipality quarterly distributes its newsletter, Blue Snow, to its communities where communities are kept informed by the developments in their areas. ELM maintains its website, primarily to respond to legislative imperatives but also, developmentally, to provide meaningful feedback to communities.

As part enhancing communication with and within ELM, the municipality has in 2018/19 for the first time developed Social Media Policy; Communication and Media Policy.

1.11.1 Community Participation and Community Issues

Community/Ward Based Planning (CBP/WBP) is a tool that is used to enhance participation of communities in local developmental processes. It was introduced to encourage ownership by communities in any development initiative in their areas.

Ward Committees have been established in the seventeen (17) wards of the municipality and their term of office will run with the term of Council. Ward Committees contribute tremendously in the development of ward priorities because their meetings are the first level where ward development issues are deliberated. Below are the Issues raised in ward committee meetings that are held every quarter which are tabled before council and submitted to relevant sector departments for action.

Table 8: Issues raised in Community meetings

DEPARTMENT	PRIORITY NEED	WARD
Elundini Local Municipality	• Access road from Dalibango, from Nyibiba to Elunyaweni, Joseph, Madwaleni	1
	• Access road in Soccerfield, Land Camp	2
	• Road maintenance in Mandela Park, Bhekela	3
	• Road maintenance in Polar Park, Maxhegweni, Sonwabile	3
	• Electricity in Tuin Blocks	3
	• Road in Mission, Saqhuthe, Qobeni to Mission, Ngqwaneni	4
	• Road maintenance in Ndingeni, Popcorn Valley, Sigoga	4
	• Bridge in Platana, Nqwaneni to Mcwangele	4
	• Electricity in Qobeni, Mrholwane and Platana	4
	• Access road in Mbonisweni, Lower Ntywenka, Mountain, Hopedale, Ntabelanga, Mcwangele	5
	• Bridge in Mbonisweni, Sithana to Mcwangele	5
	• Early childhood development centre in Mtshezi and Mountain	5
	• Access road in Goniwe, Lower Ntywenka, Queen Noti, Ngcele, Sommerville	6
	• Bridge in Ngxotho and Pedestrian Crossing in Goniwe	6
	• Early childhood development centre in Mqokolweni	6
	• Access road in Mafusini, Upper Nxaxha, Ramlane	7
	• Road maintenance in Botshabelo, Upper Nxaxha Clinic	7

DEPARTMENT	PRIORITY NEED	WARD
	<ul style="list-style-type: none"> Bridge in Fokotshane Electricity in Bothsabelo Community Hall. 	
	<ul style="list-style-type: none"> Access road in Thutsing, Lithoteng, Nkobong, Luzie Drift Bridge in Luzie Drift, Mokhalong, Nkobongo and Pedestrian Crossing in Luzie Poort. Electricity in Mokhalong, Nkobongo, Ntabelanga and Lithoteng 	8
	<ul style="list-style-type: none"> Road maintenance in Ilisolomzi 	9
	<ul style="list-style-type: none"> Access Road in Mbambangwe, Zone 14, Ezingonyameni, Westhoek Road maintenance in Ezingonyameni, Silindini and Siyalwini Bridge in Ntlombe to Polar Park and Silindini Electricity in Siyalwini, Silindini, Zone 14, Westhoek and Skote 	10
	<ul style="list-style-type: none"> Access road in Gobho, Zone 14, Farview, Khalazembe Electricity in Matsoane 	11
	<ul style="list-style-type: none"> Access road in Lehlakaneng 	12
	<ul style="list-style-type: none"> Access road in Ntoko, Mashata, Koebung JSS to Somerset, Phirintsu Road maintenance in R56 to Dzingwa, Nxotshana and Tabase Bridge in Nxotshana, Sethathi, Maluti to Sigingqini Electricity in Phirintsu, Koebung and Nxotshana Early childhood development centre Mashata, Tabase, Phirintsu 	13
	<ul style="list-style-type: none"> Access road in Setabataba, Phuthing to Zindawo, Ntabelanga Road maintenance in Nkumandeni Bridge in Vuvu Electricity in Vuvu, Thabakgubedu, Sathube, Makhoaseng, Nqalweni Early childhood development centre in Thabakgubedu 	14
	<ul style="list-style-type: none"> Electricity in Khalatsu and Liphofung 	15
	<ul style="list-style-type: none"> Access road in Tsekong, Pitoli to Nkalweni, Mcambalala, Chevy-chase, Koloni Road maintenance in Kete-kete Bridge in Koloni (cracking) and Pitoli. 	16
	<ul style="list-style-type: none"> Access road in Gqaqhala-Ndoda, Gqaqhala-Ngxothiswana Road maintenance in Mbidlana Bridge in Gqaqhala / Ndlozi 	17

DEPARTMENT	PRIORITY NEED	WARD
Dept. of Health	<ul style="list-style-type: none"> Mobile Clinic in Palisa, Lututu and Joseph 	1
	<ul style="list-style-type: none"> Mobile Clinic in Hlangalane 	7
	<ul style="list-style-type: none"> Mobile Clinic in Nkobongo, Mfanta, Luzie Drift and Lithoteng, 	8
	<ul style="list-style-type: none"> Mobile Clinic in Tsolobeng 	10
	<ul style="list-style-type: none"> Extension of clinic in Mangoloaneng 	12
	<ul style="list-style-type: none"> Mobile Clinic in Ntoko, Mohoabatsane and Koebung 	13
	<ul style="list-style-type: none"> Mobile Clinic in Khalatsu 	15

DEPARTMENT	PRIORITY NEED	WARD
DRDAR	<ul style="list-style-type: none"> Fencing of mielie-fields in Sommerville 	6
	<ul style="list-style-type: none"> Dipping tank in Mpharane 	10
	<ul style="list-style-type: none"> Shearing shed in Nxotshana, Mohoabatsane and Seqhobong Assistance on farming projects in Ntoko. Land for cultivation in Tabase and Phirintsu 	13
	<ul style="list-style-type: none"> Fencing of ploughing fields Dipping tank in Refele and Lehana's Pass Building / Infrastructure for Upper Thokoana shearing shed 	14
	<ul style="list-style-type: none"> Farming for old age in Qolweni and Taung 	16

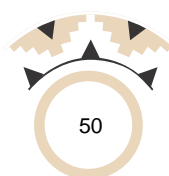
DEPARTMENT	PRIORITY NEED	WARD
South African Police Service	Measures to reduce high Crime rate	1
	Measures to reduce high Crime rate	2
	Measures to reduce high Crime rate	7
	Measures to reduce high rate of stock theft	
	Nxaxha Gorge community request to be serviced by the Katkop Police Station not Sulenkama as it is far from them	
	Measures to reduce high rate of stock theft	14

DEPARTMENT	PRIORITY NEED	WARD
SASSA	Pay-points in Palisa and Lututu	1

DEPARTMENT	PRIORITY NEED	WARD
Department of Transport	Scholar transport from Diphini village to Mbonisweni JSS	5
	Scholar transport from Lower Khohlopong and Ramlane village to Khohlopong JSS.	7

DEPARTMENT	PRIORITY NEED	WARD
Joe Gqabi District Municipality	<ul style="list-style-type: none"> Maintenance of water taps in Mission Provision of water in Palisa, Trustini, Drayini, Bangwayo, Cicira and Madwaleni 	1
	<ul style="list-style-type: none"> Spring protection in Bekela Overflowing toilets are a health hazard in Soccerfield, Mandela Park, Land Camp and Ugie Park 	2
	•	3
	<ul style="list-style-type: none"> Toilets in Matuguru, Saqhuthe, Khohlomoriti and Ndingeni Spring protection and clean water in Mission, Platana, Saqhuthe, Sigoga, Khohlomoriti, Ndingeni, Komkhulu, Diphini, Ngqwaneni, Mabalane and Mlamla 	4
	<ul style="list-style-type: none"> Toilets in Mcwangele and Ntushu-ntushu Spring protection and clean water in Ntushu-ntushu, Ngcele, Kwatsha and Goniwe 	5
	<ul style="list-style-type: none"> Spring protection and clean water in Ngcele, Ntywenka and Ngcele Down 	6
	•	7
	<ul style="list-style-type: none"> Toilets in Luzie Poort Spring protection and clean water in Luzie Poort 	8
	<ul style="list-style-type: none"> Spring protection and clean water in Mbeki 	9
	<ul style="list-style-type: none"> Toilets in Mbambangwe and Nkalweni Spring protection and clean water in Mbambangwe, Ezingonyameni, Mparane, Zone 14 and Mjika 	10
	<ul style="list-style-type: none"> Toilets in Fletcherville, Likonyeleng, Mabalane and Leratong Spring protection and clean water in Mahlathini 	11
	•	12
	<ul style="list-style-type: none"> Toilets in Nxotshana, Mashata and Mohoabatsane Spring protection and clean water in Tabase, Phirintsu and Mohoabatsane 	13
	<ul style="list-style-type: none"> Toilets in Setabataba, Zanyeni, Thutsini, Khanya, Ntabelanga, Refele, Makhoaseng Spring protection and clean water in Vuvu, Thabakgubedu, Satube, Makhoaseng and Lehana's Pass 	14
	•	15
	<ul style="list-style-type: none"> Toilets in Nkululekweni 	15
	<ul style="list-style-type: none"> Toilets in Karadokhwe, Ntatyani, No. 5, Qolweni, Taung 	16
		17

ELM had planned to conduct its IDP/Budget outreach meetings from 20-24 April 2020 as contained in the 2020/2021 IDP/Budget Process Plan but since the outbreak of Covid-19 pandemic and subsequent nationwide lockdown announced by the President of the Republic of South Africa in March 2020 and the subsequent lockdown regulations that followed as per the Disaster Management Act, the conventional Mayor's outreach programme could not take place as planned and the Mayor had to conduct it virtually using all social media platforms including the community radio in Matatiele. The following are issues that were raised by communities during the Mayor's virtual outreach that was conducted to all social media platforms on 05 June 2020:



- ✓ When are we getting housing Units in Mt Fletcher;
- ✓ Access road to Green fields, Ward 17
- ✓ Water taps at Mdeni in Mt Fletcher;
- ✓ Vandalism of Ugie new infrastructure;
- ✓ Development of young people and women – what has the municipality done for young people and women in the last financial year and expenditure incurred?
- ✓ Creation of jobs and stimulation of local economy;
- ✓ Provision of health services in Ugie;
- ✓ Finalization of the vehicle testing station in Mt Fletcher

The table below depicts ward priorities as per the previous financial years:



Table 9: IDP Outreach Ward Priorities

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
1	<p><u>Trustini / Maweni / Palisa</u> Water taps</p> <p><u>Tafeni / Joseph / Mamfengwini</u> Access road from main road to Tafeni and access road from DR2018 via Nondaba</p> <p><u>Cicira</u> Electricity infills, access road, clean drinking water</p> <p><u>Maplotini</u> Access road</p> <p><u>Montgomery</u> Jojo tanks</p> <p><u>Joseph</u> Access road</p> <p><u>Nigel</u> clean drinking water</p> <p><u>Mission & Nxoxo</u> Taps do not have water</p> <p>Maintenance of road from Rocky Park to Nkalweni and Drayini; Access road (Manfengwini); wattle tree cutting (Ngingane)</p>	<p><u>Trustini</u> Access road to Zabasa, toilets for new households, clean drinking water, upgrading of playing grounds,</p> <p><u>Nkalweni</u> Clean drinking water, free basic electricity, indigent support, clinic, assistance of disaster victims, completion of community hall, electrification of Infills, and library.</p> <p><u>Montgomery</u> Access road, electricity at school, clean drinking water.</p> <p><u>Nigel and Cicira</u> Water taps</p> <p><u>Lalini and Joseph and Sihlehleni</u> Access road</p> <p><u>Elunyaweni</u> Completion of electricity infills, non-function of Library, shearing shed, playing grounds</p> <p><u>Drayini</u> Access road and playing grounds</p> <p><u>Phalisa and Ntendelese</u> Electricity extension</p> <p><u>Luthuthu</u> Paypoint, access road to Delibawo</p> <p><u>Nyibiba</u> Electricity infills, access road from Langeni road, playing grounds, RDP houses</p>
2	<p><u>Old Location</u> Access road from Old Location to Bholeni, Sewer tanker, RDP houses, Shelters in bus stops, shelters for hawkers</p> <p><u>Mandela Park</u> Road maintenance, new toilets, land for agricultural purposes, sites for farming, sportsfield</p> <p><u>Bhekela</u> Road maintenance, sites for churches, Scholar Transport from various townships to ET Thabane School</p>	<p><u>Old Location</u> Access road to Bholeni, Maintenance of High Mast lights, Honey sucker</p> <p><u>Mandela Park</u> Road maintenance, new toilets, land for agriculture, sites for farming, pedestrian bridge, fixing of water pipes.</p> <p><u>Bhekela</u> Road maintenance, drains, community hall, pedestrian bridge</p> <p><u>Ugie Park</u> Water pipes, road maintenance, honey sucker,</p>
3	<p><u>Clearview</u> Funding and equipment for hospice; RDP houses at the open space in Clearview,</p> <p><u>Sithole</u> Learner escorts from Sithole to school;</p> <p><u>Tuin Blocks</u> Electricity in Tuin Blocks;</p> <p><u>Town</u> Cutting of wattle trees in front of Maclear Hospital, stormwater drainage, pavement and maintenance of access road (Town)</p>	<p><u>All townships</u></p> <ul style="list-style-type: none"> • Water is not available in the taps • Fencing of quarry. • New descent toilets must be built • RDP Houses. • Building of a mall was promised but never built. • Stormwater drainage system in all streets in town especially next to the hospital. • Monitoring of projects • Trained SMEs must be given opportunity in government tenders • Street cleaning in all townships • Electricity infills • Title deeds • Sucking of toilets • Fencing of graveyards • Proper purification of water <p><u>Peter Mokaba</u></p> <ul style="list-style-type: none"> • Pedestrian bridge for children to school

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<ul style="list-style-type: none"> Grazing land for animals
4	<p><u>Upper Tsitsana</u> Pedestrian bridge to Komkhulu, free public phone to call Eskom, RDP houses, water taps closer to households, pension paypoint,</p> <p><u>Matuguru</u> Reconstruction of Bridge, RDP houses</p> <p><u>Lower Tsitsana / Qobeni</u> Access road from Mabhelani to Qobeni via Mission to the road to Upper Tsitsana, Colbert at Gxubane river, RDP houses.</p> <p><u>Platana</u> Access Road, RDP houses</p> <p><u>Mission</u> Medication in clinic , RDP houses, Community hall</p> <p><u>Tsikarong</u> Water taps in streets, access road, RDP houses</p> <p><u>Mabalana</u> Electricity, Water, Access road, RDP houses</p> <p><u>Namba</u> Clean drinking water, RDP houses</p> <p><u>Khohlomriti</u> Access road to Bhekela, RDP houses</p> <p><u>Sigoga</u> Access road, water, pension paypoint, RDP houses</p> <p><u>Nqwaneni</u> Access Road to Mcwangele, RDP houses</p> <p><u>Mlamla</u> Three colberts in Mission, Komkhulu and Mlamla, RDP houses</p> <p><u>Popcorn valley</u> Stormwater drainage system, construction of streets, RDP houses</p> <p><u>Elundini</u> Network, electricity, RDP houses, Access Road to Mokgorwane</p> <p><u>All villages of the ward</u> RAFI Programme, Dish for TV signal</p>	<p><u>Sigoga</u> Water, access road, electricity infills,</p> <p><u>Komkhulu Village</u> Water, RDP, bridge and pedestrian bridge</p> <p><u>Mlamla Village</u> Gravel for access road, culvert,</p> <p><u>Mcwangele Village</u> Scholar transport, toilets, bridge, access road</p> <p><u>Qobeni Village</u> Road maintenance from Qobeni to Kohlomoriti,</p> <p><u>Matuguru Village</u> Bridge;</p> <p><u>Namba Village</u> Bridge from Namba to Sakhuthe, access road;</p> <p><u>Elundini Village</u> Access road, toilets, water tanks, fixing of network problem, bridge, community hall</p> <p><u>Tsikarong Village</u> Water, toilets</p>
5	<p><u>Hopedale / Ngxaza /Lower / Mountain</u> Community Hall, 2 bridges between Hopedale and Mbonisweni, Low-lying bridge in Lower Ngxaza, Access road in Mountain, Kwatsha to Hopedale and Sidakeni, Speed Humps and sucking of toilets, water tanks or drinking water.</p> <p><u>Ntabelanga</u> Access Road, Water taps, RDP houses, Electrification of infills, Toilets, Mobile Police Station, Building of pre-school, reconstruction of national road, Medical doctors at least three times a week in clinic</p> <p><u>Upper/LowerNtywenka / Mpunkone</u> Access road, water and water taps, RDP houses, pre-school.</p> <p><u>Sithana</u> Access Road, Water, Grading of roads, employment opportunities</p> <p><u>Ntushuntushu</u></p>	<p><u>Ntabelanga</u> Road Maintenance, Electrification of RDP Houses</p> <p><u>Goniwe</u> Blading of access roads, protection of spring water, RDP houses, water taps.</p> <p><u>Sithana</u> Blading and construction of access road, water, fencing of mielie fields, completion of toilets,</p> <p><u>Lower Ngxaza</u> Completion of toilets</p> <p><u>Mountain Road</u> Blading and construction of access road, electrification of RDP houses, problem of bridge, fencing of mielie fields, water taps, temporal structure for destitute,</p> <p><u>Ngcele-Kwatsha</u> Blading and construction of access road, RDP houses, toilets for new households,</p>

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
	<p>Electrification of 19 infills, network poles, RDP houses, road maintenance</p> <p><u>Ngcele</u> Water, Early Childhood Development Centre, school visits by Home Affairs</p> <p><u>Mbonisweni</u> Access road, RDP houses, Bridge in Ngxaza and Diphini, repair of stormwater pipe, soil rehabilitation</p>	<p><u>Mtshezi</u> Water taps, Community Hall, toilets for new households, Pre-school, blading of village roads, fencing of mielie fields,</p> <p><u>St Augustine- Mahlubini</u> Road Maintenance, water not available from the water taps, reconstruction of bridge to the village</p> <p><u>Hopedale</u> Blading of access road, water taps, electrification of 16 households, toilets for 26 households, CPLW for Zwelitsha</p> <p><u>All villages</u> Free Basic Electricity, electrification of extensions.</p>
6	<p><u>Gugwini / Queen Noti Clinic</u> Construction of access road to clinic, access road from Ntlangeni Busstop to Jamangile SSS, extension of clinic size, services and addition of staff, security guards at Jamangile SSS, digging of boreholes</p> <p><u>Upper Ntywenka</u> Access road construction from Bottle Store busstop to cross Upper Ntywenka village and join the access road in Mtshezi.</p> <p><u>Eziflatini</u> Construction of access road from Mtshemla busstop to Eziflatini, clean drinking water, fencing and building of day care centre, RDP houses.</p> <p><u>Ngcele</u> Access road construction from Queen Noti, Ngcele, Eziflatini and Ngcele Down, High mast lights, chemical to treat Jojo tanks, sucking of toilets</p> <p><u>Mqokolweni</u> Access road and bridge, toilets for the clinic, extension of clinic size or provision of temporal structure.</p> <p><u>Ngxoto</u> Water, access road, electricity</p> <p><u>Ngcele Down & Komkhulu</u> Blading and maintenance of access road, speed humps, RDP houses</p> <p><u>Lalini</u> Soil erosion, RDP houses, maintenance of access road.</p>	<p><u>Egugwini</u> Access road to clinic for health and other services.</p> <p><u>Ngcele</u></p> <ul style="list-style-type: none"> • Access road on main road via Jamangile to target major routes, • Main road via Queen Noti, Ngcele, Eziflatini and Ngcele down • High mast lights because of crime • Chemical to treat germs from the existing household tanks • Sucking of toilets <p><u>Mqokolweni</u></p> <ul style="list-style-type: none"> • Access road was done but not finalised and it also needs maintenance. • Pedestrian bridge for school children • Toilets for the clinic and extension of the clinic even if it is a container • Electrification of security building at the clinic • Bridge at eMaxesibeni and Mpukane • Regular government visits to early childhood development centres • Intensive monitoring of contractors <p><u>Mpukane</u></p> <ul style="list-style-type: none"> • Access road because vehicles cannot access the village. • Sports field • RDP houses • Electricity for infills and new households and poles for extensions • Urgent attention must be given to storm water pipes that overflow to the house of the community member. <p><u>Jamangile S. S. S.</u></p> <ul style="list-style-type: none"> • Request access road via Jamangile when it is raining the school is inaccessible • Request for the adoption of school by Municipality because this is one of school with unique streams like Engineers, welding and drawing • Request security guard at school • Finalisation of Ngcele sports field

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<ul style="list-style-type: none"> Request boreholes to supply community with water Ngxotho access road to be built for ease of access of children to Jamangile <p><u>Ngxotho</u></p> <ul style="list-style-type: none"> Water, municipality to provide water tanks, access road, electricity, bridge <p><u>Nkolosane</u></p> <ul style="list-style-type: none"> Construction of road not completed Fixing of blocked storm water RDP houses Clean drinking water, people are drinking with animals <p><u>Qurana</u></p> <ul style="list-style-type: none"> Increase number of Mayoral Cups biannually. Sportsfield in Qurana and Sommerville <p><u>Sihungqweni</u></p> <ul style="list-style-type: none"> Closing of Donga's caused by soil erosion Maintenance of access road RDP Houses Dipping tanks <p><u>Eziflatini</u></p> <ul style="list-style-type: none"> Access Road, access to clean purified water <p><u>Queen Noti Clinic</u></p> <ul style="list-style-type: none"> Construction of access road, <p><u>Upper Ntywenka</u></p> <ul style="list-style-type: none"> Access road, Water, electricity for new households <p><u>Lower Ntywenka</u></p> <ul style="list-style-type: none"> Access road from Phelandaba to Ntywenka JSS Water RDP houses <p><u>Lower Sinxako</u></p> <ul style="list-style-type: none"> Access road <p><u>Upper Sinxako</u></p> <ul style="list-style-type: none"> Request access road Request water engine has problems
7	<p><u>Sophonja</u> Satellite Police Station</p> <p><u>Esigcwabeni</u> Access road from kwaZulu Police Station to Esigcwabeni</p> <p><u>Bothsabelo</u> Maintenance of Ngqayi Bridge</p> <p><u>Mafusini</u> Access Road</p> <p><u>Magwaca / Nkahlulo</u> Access Road between Nkahlulo and Ezigatini, Cutting of trees / bush at Nkahlulo JSS</p> <p><u>Marhoga</u> Access Road</p>	<p><u>Mafusini</u> Water, bridge from Katkop to Mafusini and Nkunyana.</p> <p><u>Ngqayi</u> Water, Mobile Clinic, bridge from Botsabelo to Diphini</p> <p><u>Zwelitsha</u> Road maintenance, bridge, community hall, RDP houses, new shearing shed closer to the community</p> <p><u>Ngxaxha</u> Electricity, Road maintenance and a bridge, RDP houses, Water, shearing shed.</p> <p><u>Khohlombeni</u> Access road and two (2) bridges, RDP houses</p> <p><u>Tyeni</u> Access road from clinic to Kat-Kop, pre-school, RDP houses</p>

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<p><u>Golomane</u> Road construction, water, police patrol, two bridges</p> <p><u>Marombe</u> Road maintenance, bridge from Marombe to Nkahlulo JSS, pre-school</p> <p><u>Magwaca</u> Toilets, bridge to Nxaxha</p> <p><u>Sgcwabeni</u> Pre-school teacher, bridge, access road</p> <p><u>Mbekweni</u> Water, Bridge to Nkunyana school</p> <p><u>Kat-Kop</u> Shearing shed, Water, addition of nurses at the clinic, community hall, access road, playgrounds</p> <p><u>Goji Village</u> Community hall, access road from school and its maintenance.</p>
8	<p><u>Luzie</u> Upgrading of Access road to Pitseng, construction of speed humps opposite school, construction of pedestrian bridge, electrification</p> <p><u>Ntabelanga</u> Electrification of all households, upgrading of access road, shortage of water</p> <p><u>Mfanta</u> Construction of decent toilets, provision of gravel to maintain roads, protection of springs, fencing of fields</p> <p><u>Luzie Poort</u> Water, upgrading of access road, maintenance of pedestrian bridge, provision of water tanks</p> <p><u>Moreneng</u> Electrification of households, provision of VIP toilets, Water, RDP houses, Upgrading of Access road from Chief Lehana's place to Mabambeni, construction of clinic</p> <p><u>Pitoli</u> Upgrading of access road from R56 to Nkobongo, bridge, electricity</p> <p><u>Sigodini</u> Construction of community hall, electrification of infills, toilets for infills, upgrading of access road, maintenance of springs</p> <p><u>Lithuteng</u> Gravelling of access road, Water, toilets</p> <p><u>Mokgolong</u> Electrification of households</p>	<p><u>JOJWENI</u></p> <ul style="list-style-type: none"> • Theft of live stock • Request electricity in the village • Request sport field • Request toilets at Jojweni <p><u>BATLOKOA</u></p> <ul style="list-style-type: none"> • Request RDP housing • Request access road from R56 road to the village • Request clinic near the school <p><u>MABAMBENI</u></p> <ul style="list-style-type: none"> • Request water in the village • Request electricity • Request Pre-school for children • Request toilets <p><u>UMFANTA AND NTABELANGA</u></p> <ul style="list-style-type: none"> • Request addition of water taps in the village • Request gravel for access road • Request clinic • Request electricity at Mfanta not all household have electricity • Request RDP housing <p><u>MOROKA</u></p> <ul style="list-style-type: none"> • Request gravel on the road from R56 to Moroka • Request better toilets • Request Clinic • Request community hall • Request sport fields for youth • Request electricity <p><u>LUZIE DRIFT</u></p> <ul style="list-style-type: none"> • Access road at Maqalaneng from DR01808 to Junior • Access road from DR01808 via the shearing Shed • Request water • Request sport field <p><u>DITHUTENG</u></p>

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<ul style="list-style-type: none"> Request access road to be expanded to the end of the village Request water <p><u>MOKGALONG</u></p> <ul style="list-style-type: none"> Request access road to be gravel Request electricity Request sharing shed <p><u>NKAMANE</u></p> <ul style="list-style-type: none"> Request access road to be revised with gravel Request electricity Request water <p><u>NKOBONGO</u></p> <ul style="list-style-type: none"> Access road towards Nkobongo from the R56 at Zwelitsha the small bridges have been damaged by the summer rains EPWP not doing road maintenance Request electricity Request water <p><u>MORENENG</u></p> <ul style="list-style-type: none"> Request access road through the village towards the plantation which is also very busy towards removal of the black wattle tree. Castle rocks village Sgoga request access road with a bridge over the bottom part of Luzie River. Request electricity Request water Request sharing shed <p><u>NTABELANGA</u></p> <ul style="list-style-type: none"> Request electricity Request water <p><u>MAKHANDLELENI</u></p> <ul style="list-style-type: none"> Request electricity <p><u>SIGODINI</u></p> <ul style="list-style-type: none"> Request water <p><u>ZIGADINI/ZIMBANE</u></p> <ul style="list-style-type: none"> Request water <p><u>MBIZENI</u></p> <ul style="list-style-type: none"> Request water <p>The Youth also requested if one of the schools that are said will be closed they request for one of those to be made a school where the youth could be taught technical type of work.</p>
9	<p><u>Ephanette Mbeki</u> Electricity instead of solar system</p> <p><u>Town</u> Speed humps next to Mount Fletcher High school, clinic</p> <p><u>Katlehong</u> Maintenance of access road</p>	<p><u>All townships</u> Upgrading of electricity, upgrading of sanitation, fencing of graveyards</p> <p><u>Thembeni</u> Sanitation system</p> <p><u>Solomzi</u></p>

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<p>Building of Ilingeletu school, speed humps at Mjamba street.</p> <p>TOWN</p> <p>Banks, municipal seat to be Mount Fletcher, sucking of toilets, removal of skip bins next to the households, enforcement of by-laws, distribution of refuse bags, collection of refuse</p>
10	<p><u>Mathafeni No. 1</u> Water, electricity for infills</p> <p><u>Skote</u> Road maintenance, electricity, community hall, RDP houses</p> <p><u>Siyalwini</u> Electricity, bridge and road maintenance, RDP houses, water</p> <p><u>Mpharane</u> RDP houses, Access road from R56 to Mpharane, water taps nearer the households, electricity for infills</p> <p><u>Mjika</u> Access road from Nkalweni to Silindini, water, RDP houses</p> <p><u>Xaxazana</u> Sportsfield, RDP houses, projects for job creation</p> <p><u>Nkalweni</u> Water, two bridges</p> <p><u>Westhoek</u> Water, Road, electricity</p>	<p><u>Skote</u> Clinic, RDP Houses, electricity, monitoring of projects like road construction since culverts seem to be badly installed.</p> <p><u>Nkalweni</u> Water, non-attendance of these meetings by other government departments, community hall, toilets for churches, opening and closing hours of the clinic not suitable for emergencies,</p> <p><u>Westhoek</u> 2019/2020 Service delivery plan for Westhoek, service delivery complaint channels, non-employment of communities from 36 years, problem of not RDP houses not built for someone who worked before.</p> <p><u>Ezingonyameni-Emizini</u> Water, access road to schools and shearing shed</p> <p><u>Esilindini</u> Water, honey-sucker, access road and bridge,</p> <p><u>KwaDzingwa</u> Access road in Mahobe must be extended to Plantation village, capacitation and equipment for farming</p> <p><u>Plantation-Tsolobeni</u> Electricity needed urgently because of high crime rate</p> <p><u>Mathafeni No.1</u> Completion of toilets</p> <p><u>All villages</u> Issuing of trading license, emerging contractors have registered in government databases but are not considered.</p>
11	<p><u>Gobho / Tinana</u> CDW for the ward, no water, taps are not working, ±16km access road and a bridge</p> <p><u>Ntatyana / Lugcadweni</u> Access road and road maintenance, colberts and bridges, maintenance of bridge</p> <p><u>Fairview / Lubisini</u> Water, Community hall, RDP houses, VIP toilets</p> <p><u>Mpisi</u> VIP toilets</p> <p><u>Dengwane</u> Toilets, maintenance of access road, grading of sportsfield, reconstruction of bridge</p>	<p><u>All wards</u> Urgent attention on the issue of age restriction for employment in EPWP.</p> <p><u>Thambekeni</u> Toilets for new households; electricity infills, access road</p> <p><u>Dengwane</u> Water taps, mobile clinic, toilets, building of dam, electricity infills</p> <p><u>Fairview</u> Water taps, access road, electricity infills.</p> <p><u>Lugcadweni</u> Borehole</p> <p><u>Lubisini</u> Playgrounds</p> <p><u>Fletcherville</u></p>

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<p>Toilets are broken, they need to be reconstructed Gobho</p> <p>Mobile clinic,</p>
12	<p><u>Ntabayikhoniwa</u> Access road, repairs of damaged bridge, VIP toilets, clean drinking water / water taps, community hall</p> <p><u>Lehlakeng</u> Access road</p> <p><u>Ngoliloe</u> Access road to Gengxe, Mobile clinic, community hall, scholar transport for learners from Ngoliloe to Sidinane SSS, Early Childhood Development Centre, fencing of mielie fields, RDP houses</p> <p><u>Mangoloaneng</u> Access road to Madumasini, Free Basic Electricity, extension of clinic, VIP toilets suitable for disabled people, pedestrian bridges for learners</p> <p><u>Mahanyaneng</u> Repairs of damaged bridge, access road, RDP houses, rehabilitation of dongas</p> <p><u>Popopo</u> Water, RDP houses, VIP toilets, Community Hall, Trimming of forest, access road to Thabagubedu</p> <p><u>Polokoe / Zwelitsha</u> Access road from Zwelitsha, Polokoe to Tabatlala, new generator to pump water, rehabilitation of dongas</p> <p><u>Tabatlala</u> Bridge, Community Hall, water taps</p> <p><u>Setaka</u> VIP toilets, community / pension hall, access road, cutting of trees, dipping tanks, sportsfield</p> <p><u>Moleko</u> Water pump must be changed from generator to electricity</p> <p><u>Madumasini</u> Access road to Mangoloaneng, Water, RDP houses, soil rehabilitation, access roads in the streets of Madumasini</p> <p><u>Kinira Poort</u> Solid bridge, new VIP toilets, RDP houses, clinic, rehabilitation of dongas, electricity for infills, pre-school, building or renovation of Morulane PS, sportsfield for youth</p>	<p><u>Setaka and Moleko</u></p> <ul style="list-style-type: none"> • Paypoint for old age • Request access road vehicle cannot access the villages • Soil erosion • Request mobile clinics • Request employment • Request community hall renovations • Request bridge when the is heavy rains the cannot pass • Request sport field and assistance in sport to alleviate high rate of crime <p><u>Polokoe</u></p> <ul style="list-style-type: none"> • New toilets • Speed humps at Zwelitsha • Access road from Polokoe to R56 road • Water engines have problem request electricity pumps • Mobile clinics • Project for rehabilitation of dongas/ soil erosion the community members once benefited from that project • RDP houses are not the same with new ones • RDP house was burnt request new house. <p><u>Mahanyeng</u></p> <ul style="list-style-type: none"> • Bridge <p><u>Lehlakeng</u></p> <ul style="list-style-type: none"> • Request access road • Request bridge • Request paypoint for old age • Request water • Request pre-school <p><u>Moleeko</u></p> <ul style="list-style-type: none"> • Spring Water protection • Access road vehicles cannot access the village • Bridge <p><u>Mangoloaneng</u></p> <ul style="list-style-type: none"> • RDP houses • Water taps • ELM to monitor project • Pre-school • Request access road at Madumasini • Clinic must be improved, the one available is too small and has no confidentiality • Community hall, SASSA hall which has been used needs renovations

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
		<p><u>Popopo</u></p> <ul style="list-style-type: none"> Water, toilets, soil rehabilitation, access road <p><u>Ntabayikhoniwa</u></p> <ul style="list-style-type: none"> Water, RDP houses, Bridge, soil rehabilitation, community hall, pre-school, electricity Infills/ extensions, fencing of graveyard
13	<p><u>Koebung</u> RDP houses, Police station, Completion of toilets, MTN network transmitter, Clinic to also service Sethathi, Mashata and Mohoabatsane, Access Road to Somerset, repair of water pipes, Electricity, Community Hall</p> <p><u>Seqhobong</u> Ambulances in clinic, Network coverage</p> <p><u>Mohoabatsane</u> Windmills and dams, Access road to Khorong, Access road from T74 to Toropong, RDP houses, completion of toilets, 250 chairs for the community hall, Shearing Shed, Electricity in Pre-school.</p> <p><u>Ntoko</u> Access Road, kitchen at the school</p> <p><u>Nxotshana</u> 12 VIP toilets, Network, Rehabilitation of dongas.</p>	<p><u>Setati</u> Fixing of water taps that are not working, tar road from Xaxazana to Thaba Checha, access road from Setati to Freystata, cutting of wattle trees.</p> <p><u>Ntoko</u> Electricity Infills, boreholes, access road from Ntoko, monitoring of funded projects, clinic at Mohoabatsane, consideration of</p> <p><u>Mohoabatsane</u> Involvement of community members during hand-over of projects that are constructed in rural areas for the community members to lodge complaints where necessary, fixing of old boreholes, RDP houses, toilets for new households, electricity Infills, electricity for Utiwanang Pre-school, Vodacom network pole, fixing and extension of water taps</p> <p><u>Seqhobong</u> Access road from the shop to Matabaneng</p> <p><u>Makoatlana and Dephofung</u> Community hall, RDP houses.</p>
14	<p><u>Sathube</u> Access Road to 2 Roses for sand mining.</p> <p><u>Vuvu</u> Bridge, Rooi-cat challenge killing livestock</p> <p><u>Bethania</u> Paraffin supply</p> <p><u>Refele</u> Electricity, Sportsfield, Assistance with registration of projects</p> <p><u>Ditaung</u> Electricity, Fencing of graveyard</p>	<p><u>Phuting Village</u></p> <ul style="list-style-type: none"> They requesting water tanks; They requesting access road; <p><u>Vuvu Village</u></p> <ul style="list-style-type: none"> They requesting water; They requesting scholar transport; They requesting bridge; They requesting use of existing material to provide bridge; They had a problem of network the whole ward.
15	<p><u>Khorong</u> Access road to Tsekong and Lehana School</p> <p><u>Nkululekweni</u> Water taps do not have water</p> <p><u>Kutloanong</u> Legal water connections, in-house water connections</p> <p><u>Diphofung</u> Access road,</p> <p><u>All villages of the Ward</u> RDP Houses in the yards, Naming and signage of all roads, building of juvenile prisoner for young perpetrators, graveyard fencing, building of community hall, electricity connections, Sports</p>	<p><u>Tsekong</u></p> <ul style="list-style-type: none"> Access Road Clinic Water is locked by the Municipality Network pole Sport field grounds Electricity Infills <p><u>Nkululekweni</u></p> <ul style="list-style-type: none"> Toilets are not completely done Gravel heaps Water challenge Back of the Horizon must be written in 3 languages Truck of gravel heaps for EPWP workers High mast lights are needed

WARD	LIST OF PRIORITIES 17 – 23 APRIL 2018	LIST OF PRIORITIES 21-23 MAY 2019
	field, Clinic, Police Station, Cellular network pole, Proper infrastructure for preschools	<u>Liphakoeng</u> <ul style="list-style-type: none"> • Renovation of damaged toilets • Electricity
16	<p><u>Sihom</u> Electricity infills, access road</p> <p><u>Koloni</u> Access Road</p> <p><u>Chevy-chase</u> Proper construction of bridge</p> <p><u>Mdeni</u> Community Hall, abolition of drug abuse</p> <p><u>Msasangeni</u> Culverts for all roads</p> <p><u>Karadokhwe</u> SAPS visibility and patrol</p> <p><u>Nkangala</u> Water, Access road</p> <p><u>Koloni / Mcutha</u> Access road</p> <p><u>Mcambalala</u> Culverts, maintenance of roads</p> <p><u>MLube</u> Water, improvement of standard of access road and maintenance</p> <p><u>Ward</u> Upgrading of electricity, shortage of staff in Hlankomo clinic, high mast lights, mall</p>	<p><u>Frank</u> Clinic, electricity Infills at Sihom</p> <p><u>Khethekhethe</u> Water, Electricity, Clinic, employment of people of over 35 years, Nkalweni access road, toilets for churches,</p> <p><u>Ndingo</u> Access road from Magedla to Mhlontlo, bridge, electricity, RDP houses</p> <p><u>Nkangala</u> Access road from KwaZulu to Magedla, electricity, Spring water protection, library, community hall, free basic electricity,</p> <p><u>KwaZulu</u> Protected spring water, electricity, lack of monitoring of all projects, clinic, completion of the 56 toilets, ill-treatment of established committees by JOGEDA</p> <p><u>No. 5</u> Electricity, toilets, playing grounds</p> <p><u>Msasanga</u> Bridge, access road from Robert, clinic, gravel,</p> <p><u>Sihom</u> Electricity, attention on disaster challenges, quick response of ambulances when called</p> <p><u>Chevy chase</u> Electricity, clinic</p> <p><u>Nondyandya</u> Electricity</p> <p><u>Koloni</u> Maintenance of access road from Koloni to Mhlontlo with extensive monitoring.</p>
17	<p><u>Greenfields</u> Water is of high priority, mobile clinic, pins to identify erven, land for ploughing</p> <p><u>Vincent</u> Water, sucking of toilets, construction of roads in all streets, sport facilities and equipment, social grants for destitute, youth programs</p> <p><u>Mbidlana</u> Electricity for infills, reconstruction of access road near the bridge, clinic, sportsground</p> <p><u>Robben Island</u> Early Childhood Development Centre, completion of road construction.</p>	<p><u>Gqaghala-Ndoda</u> Bridge in Ndlozi to Samuel, Access road at Ntshontsho, Borehole at Nodada mountain</p> <p><u>Gqaghala</u> High masts lights, water tap in each household, cutting of wattle trees, DRDAR must assist with seedling and other projects, maintenance of Thaleni access road.</p> <p><u>Ugie</u> Maintenance of access roads</p> <p><u>Mbidlana</u> Network pole, high mast lights, clinic, playing grounds.</p>

Ward War Rooms

A total of 15 War rooms were established in ELM. A total of 14 wards were established in 2016 whilst 01 additional ward was established in 2018. Ward 06 and 17 do not have war rooms. Even though War Rooms have been established, their functioning is minimal. A concept of War Rooms was derived from the Integrated Service Delivery Model (ISDM) which was introduced by the National Government under the Office the Deputy President in August 2015. The aim of ISDM was to bring together all service delivery stakeholders to provider services in an integrated manner. ISDM embraces the principles of integration, coordination, collaboration and collocation and works well through partnership in order to rebuild the fabric of society. War Rooms refer to a physical space where community meets to resolve, refer, coordinate service delivery and report community issues. Composition of War Rooms should take into consideration stakeholders that exist in that particular Ward such as Traditional Leader, Civil Society structures, community workers, focus groups, business, government departments, etc.

Community Development Workers (CDWs)

Department of Cooperative Governance and Traditional Affairs employed Community Development Workers (CDWs) who serve as the secretariat of the ward war rooms. Of the 17 Wards, there is only one (1) Ward that still has no CDW. Elundini Local Municipality embraced the Community Development Worker (CDW) program and viewed it as a positive step towards bridging the gap between Government and communities. The municipality therefore committed herself to providing all the necessary support, including the provisioning of resources within the relevant legislative mandate, to ensure that the program runs smoothly and fulfills its objectives. In 2009/2010 Elundini Local Municipality pioneered setting up of CDWs integration systems. These included development of CDW Integrative Model; Memorandum of Agreement and CDWs Operational Plan. CDWs Integrative Model was developed and presented to the provincial department – COGTA. The model proposed the following:

- The CDWs to be integrated into the Communications and Public Participation unit and to be convened by Public Participation
- The CDWs to be accorded ex officio status in all the meetings of the ward committee, which they must attend diligently and at which they must table reports in relation to their activities for the month. Such reports must constitute an integral part of the ward report and recommendations to be escalated to the municipality;
- The ward reports and recommendations must be sent to the Office of the Municipal Manager, whereat they will be studied and where applicable, matters emanating there from will be referred to the relevant Councilor, official, political structure or government department;
- The CDWs would maintain a timesheet detailing all their activities for the month, which would be signed off by the Ward Councilor as confirmation that work for the month was carried out and would also be supported by the monthly report. Any disputes would be referred to the Office of the Municipal Manager for adjudication.

1.12 Community Involvement to Social Cohesion Programs

The ELM has a Mayor's Social Investment program which also contributes to the nation building has three pillars as follows:-

- ❖ Bursary – helps students from destitute families by paying for tuition and accommodation.
- ❖ Adopt-a-school – is aimed at assisting schools with immediate requirements while the Department of Education is still planning for the improvement of the school.
- ❖ Bridge of hope – is directed to help needy families.

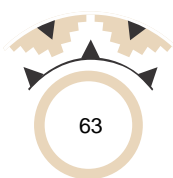
ELM has also employed one hundred and sixty four (164) unemployed young people as Community Participation Liaison Workers (CPLWs) from each village of the municipality. The CPLWs are an attempt to close the social gap between the councillor and the communities. CPLWs visit household by household in their duties of information dissemination. CPLWs act as administrative support to community meetings and also in the dissemination of information from the Council and government departments.



ELM hosts and organizes Mayoral Cup as an annual sporting event that is aimed at uniting young people in the municipal area. The program is contributing to the development of youth in different sporting codes. The elimination process starts from ward level and this helps in building cohesion amongst communities as winners progress to represent clusters and regions of the municipal area during the roll out of the program.

1.13 Inter-Municipal Planning

ELM has during the financial year 2016/17 entered into the inter-municipal planning with the City of Cape Town for the Inner City Precinct in order to be able to develop better and suitable plans for the towns of Maclear and Ugie which has since been completed. The municipality has also undertaken a study with the towns of Riverside and Knysna in the Western Cape to learn best practices around the functioning and operations of their SHARED fire services. Following the visit an agreement was then concluded by both the district and Elundini local municipality to adopt the model as investigated and recommended in terms of the section 78 study conducted by the Joe Gqabi district municipality. Council has since passed a resolution in principle approving the shared fire services model pending its finalization by and between the two municipalities. We continue to engage with the district on updates and progress towards finalization and eventual implementation of the model. Parties to the model are the JGDM, Elundini municipality as well as the Department of Environmental Affairs.



B

SECTION

UPDATED SITUATIONAL
ANALYSIS



2 SECTION B: UPDATED SITUATIONAL ANALYSIS

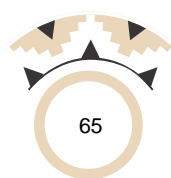
2.1 Elundini Local Municipality Profile

The Elundini Local Municipality (ELM) is a Category B municipality located within the Joe Gqabi District in the north-eastern portion of the Eastern Cape Province. The municipality is bounded by the Alfred Nzo District in the north, Chris Hani District in the south, OR Tambo District in the east, and Lesotho and Senqu in the west. It is the smallest of three municipalities in the district, making up a quarter of its geographical area. The Elundini Local Municipality is one of the most scenic and attractive areas of the province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents due to its relative abundance of natural resources.

The urban areas and commercial farming district are the highest employers, where people have found employment in the agriculture, commercial and service sectors. There are very low levels of employment in the rural settlements. This can be partly attributed to the fact that these areas do not have a strong economic base, and partly to the fact that most inhabitants are involved in subsistence-related activities with little surplus being produced for economic profit. Due to the migrant system in operation in South Africa, the impact of recessionary downturns in the economy elsewhere (such as in the mining industry, Gauteng and Cape Town) have had an impact on the Elundini area. There is still a heavy reliance on income from migrant sources. The towns in Elundini are Maclear, Mount Fletcher, and Ugie. The main economic sectors are social services/government (41%), agriculture (28%), and wholesale and retail trade (14%).

ELM is the scenic and attractive area in the Eastern Cape with its potential lying in fertile soil and heavy rainfalls. The analysis of Elundini Local Municipality must be contextualized globally. The municipality covers an area of 5,064 km² and has 17 Wards and according to the recent Community Survey (CS) of 2016 released by Stats SA, the Elundini Local Municipality is the most populous municipality in the Joe Gqabi district with an estimated population of 144 929 an increase of 6 788 people, amounting to 4, 7%, from the Census 2011 figures of 138 141 people. The largest population of Elundini is made up of females which constitute 60, 9% (88 247) of the total population and males constitute 39, 1% (56 682) of the total population.

The ELM is one of the most scenic and attractive area of the Province, with considerable potential lying in its deep, fertile soils and high rainfall. Compared to the other municipalities in the Joe Gqabi District, Elundini has prospects of significant growth and upliftment in the quality of life for its residents, due to its relative abundance of natural resources.



MAP SHOWING LOCALITY AND SETTLEMENT DISTRIBUTION

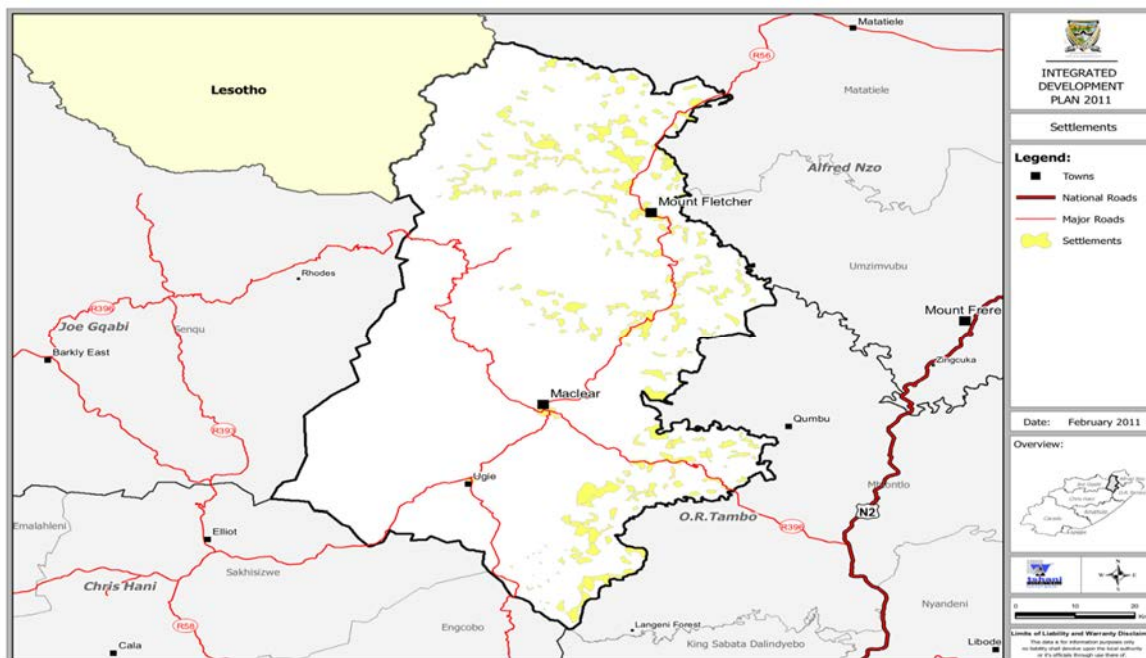


Figure 1: Map showing settlement distribution

2.2 Elundini Local Municipality Demographic Profile

According to the Community Survey 2016 figures, the JGDM total population has increased by 23 144 people from the Census 2011 figures of 349 768 to 372 912 of the CS 2016 figures. This represents a 6, 2% increase between 2011 and 2016 from an increase of 2.3% between 2001 and 2011 figures. From the JGDM total population increase, the ELM has seen a significant increase of 6 790 people representing an increase of 4, 7% between 2011 and 2016 as compared to an increase of 0, 5% between 2001 and 2011.

Although there has been an increase in the number of people, between 2011 and 2016, in both the JGDM and the ELM, there is a noticeable decrease in the number of households both in the district and the municipality. Both the municipalities have experienced a decrease of 0, 2% and 0, 5% of households respectively as depicted by the table overleaf. Of the total number of households in both the JGDM and Elundini municipalities, there has been an increase in the formal structures were the formal structures in JGDM increased from 60, 3% to 69, 6% and on ELM increased from 33% to 47, 8%. The table below depicts the changes in the total numbers of households between JGDM and ELM from 2011 to 2016:

Table 10: Population Changes

Municipality	2001	2011	2016	% growth			Number of households			% Change
				1996-2001	2001-2011	2011-2016	2001	2011	2016	
JGDM	341 750	349 768	372 912	8.2%	2.3%	6.2%	84 835	95 294	95 107	-0.2%
Elundini	137 394	138 141	144 929	3.7%	0.5%	4.7%	33 209	35 992	35 804	-0.5%

Source: Census 2001, Census 2011 and CS 2016

2.3 Distribution of Total Population by age and Gender

The table below depicts the distribution of population by age and gender:

Table 11: Table showing age and gender distribution

Age category	1996			2001			2011			2016		
	Males	Females	Total	Males	Females	Total	Males	Females	Total	Males	Females	Total
00 – 04	8 907	8 900	17 807	7 577	7 364	14 941	8 188	7 949	16 137	8 761	8 489	17 250
05 – 09	11 047	10 798	21 845	10 130	9 926	20 057	8 164	7 829	15 993	9 052	9 304	18 356
10 – 14	11 229	11 168	22 398	11 391	11 337	22 727	8 860	7 866	16 726	9 976	8 702	18 678
15 – 19	8 251	8 901	17 152	9 763	9 274	19 037	9 013	8 166	17 180	10 528	9 617	20 145
20 – 24	4 331	5 431	9 763	4 688	4 975	9 663	6 441	5 746	12 187	7 762	7 035	14 797
25 – 29	2 352	3 676	6 028	2 721	3 791	6 512	4 397	4 302	8 699	6 523	5 965	12 488
30 – 34	1 938	3 739	5 677	2 213	3 364	5 577	3 189	3 453	6 641	4 982	5 300	10 282
35 – 39	1 933	3 458	5 391	2 060	3 543	5 603	2 743	3 512	6 256	2 306	2 557	4 863
40 – 44	1 665	2 839	4 504	2 129	3 606	5 736	2 210	3 387	5 597	1 959	2 549	4 508
45 – 49	1 435	2 468	3 904	1 955	3 022	4 977	2 074	3 508	5 582	1 604	2 214	3 818
50 – 54	1 278	2 141	3 419	1 730	2 594	4 324	2 120	3 587	5 707	1 502	2 492	3 994
55 – 59	1 325	2 035	3 361	1 486	2 167	3 653	2 095	3 189	5 285	1 388	2 532	3 920
60 – 64	1 334	2 873	4 206	1 475	2 560	4 034	1 938	2 804	4 742	1 429	2 273	3 702
65-69	1 227	2 222	3 449	1 559	2 579	4 137	1 382	2 032	3 414	943	2 105	3 048
70 – 74	814	1 231	2 046	1 019	1 905	2 924	1 156	1 911	3 067	603	1 570	2 173
75 – 79	730	1 191	1 921	565	963	1 528	765	1 666	2 431	360	921	1 281
80 – 84	241	505	747	439	930	1 369	453	1 044	1 497	163	713	876
85+	184	333	517	191	403	594	294	706	1 000	108	644	752
Total	60 222	73 911	134 133	63 091	74 303	137 393	65 482	72 657	138 141	69 949	74 982	144 931

Source: Census 1996, Census 2001, Census 2011 and CS 2016

Although there has been an overall increase of 4, 7% in the total population in Elundini, there has been a decrease of 3, 2% of the female population and an increase of 6, 8% of the male population between 2011 and 2016. The female population in Elundini makes 51.7% of the total population and males constitute 48, 3% of the total population. In terms of the demographic distribution of the Elundini population, a younger population, between the ages of 15 and 19, comprises the largest population followed by 10 and 14, 05 and 09 and 00 and 04 respectively.

The pyramid below provides a clear depiction of age and sex distribution of the ELM population. In terms of the stages of demographic transition model, the ELM pyramid appears to be at the third stage, which shows stationary growth and mortality particularly in the 25 to 75+ years cohorts. It is clear how many people of each age range and sex are found within the municipality. Moreover, the pyramid shows that the population is generally older on average.

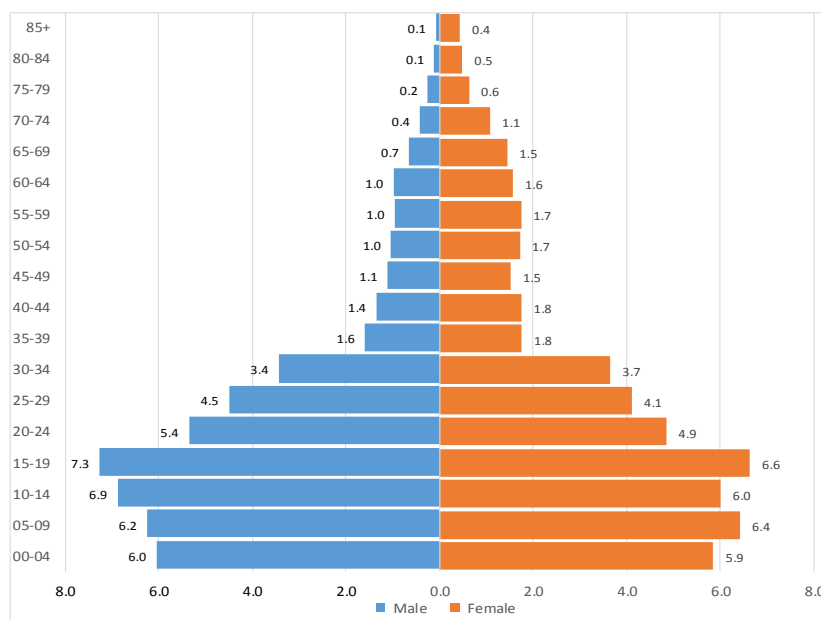


Figure 2: Population Pyramid

Source: CS 2016

2.4 Population by Race

According to Community Survey 2016, a large part of Elundini's population is made up of Black Africans (135 593) this figure translates to 98.01% of the entire population. The remaining 1.09% (2 580) is made up of 1 323 Coloureds (1%); 172 Asians (0.01%) 903 Whites comprising (0.07%) in the other category there are 183 inhabitants contributing (0.01%) of the entire population. (2011 Statistics SA). The table below is the presentation of the racial distribution in Elundini:

Table 12: Table showing racial distribution

CATEGORY	NUMBER OF POPULATION	% DISTRIBUTION
Black Africans	135 559	98, 01%
Coloured	1 323	1%
Indian	171	0, 01%
White	905	0, 07%
Others	183	0, 01%

2.5 Distribution of Population by Language

As per the Community Survey 2016, the most spoke languages by households in the district including Elundini are isiXhosa, seSotho, Afrikaans and English as depicted by the table below:

Table 13: Table showing language distribution

LANGUAGES	NUMBER OF PEOPLE		
	JGDM	ELUNDINI	%
IsiXhosa	275 521	104 581	
SeSotho	66 419	34 152	
Afrikaans	18 889	1 905	
English	2 514	673	
Others	9 571	3 620	

2.6 Distribution of household by income

Community Survey 2016 has not released any updated information on household income and therefore the Census 2011 were used which showed that 28, 4% of the families earn between R 9 600 – R 38 200 per annum which is R 800 - R 3 183 per month whilst 19, 1% of the households earning R38 200 - R76 400 which is R 3183- 6367. 38% of the households fall in the category which earns less than 800 per month or no income at all. The table below depicts the income levels of households within Elundini Municipality:

Table 14: Table showing income levels

Income level	No. of Households	%
No income	6 391	16, 8%
1 – 4800	3 113	8, 2%
4800 - 9600	4 868	12, 8%
9 600 - 38 200	10 770	28, 4%
38 200 - 76 400	7 217	19, 1%
76400 - 153 800	2 501	6, 6%
153 800 - 307600	889	2, 3%
307 600 - 641 400	324	0, 8%
641 400 - 1 228 800	53	0, 1%
1 228 800 - 2 457 600	45	0, 1%
2 457 600 or more	23	0, 06%

2.7 Literacy Levels

Community Survey 2016 indicates that there has been an increase of 4.7% in the levels of education in Elundini for those between 20 years and above from 2011 to 2016 from 11.9% to 16.6% of the entire population having completed Grade 12 but there has been a slight decrease of 0.4% between 2011 and 2016 from 4.9% in 2011 to 4.5% in 2016 of the population who has studied further than Grade 12. Community Survey 2016 also revealed that 10.7% has no schooling at all, 20.7% has some primary education, 7.4% has completed some primary education and 44% has completed some secondary education. The table below depicts the percentage levels of education between the period 2011 to 2016 as provided by Census 2011 and Community Survey 2016:

Table 16: Table showing attendance of school

	No schooling		Some primary		Completed primary		Some secondary		Matric		Higher	
	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016	2011	2016
JGDM	14,7%	8%	24,4%	18%	7,2%	6,8%	33,2%	41,4%	14,3%	19,3%	5,85	5,3%
ELM	14,6%	10,7%	26,3%	20,7%	7,6%	7,4%	32,8%	44%	11,9%	16,5%	4,9%	4,5%

The table overleaf depicts the highest level of education as per the Community Survey 2016 of Elundini population as against that of the district:

Table 16: Levels of Education against the District

	Joe Gqabi	Elundini	% Schooling
No schooling	55 899	19 142	13.21%
Grade 0	18 914	7 496	5.17%
Grade 1/Sub A/Class 1	13 943	5 740	3.96%
Grade 2/Sub B/Class 2	11 282	4 243	2.93%
Grade 3/Standard 1/ABET 1	19 375	7 736	5.34%
Grade 4/Standard 2	20 907	9 202	6.35%
Grade 5/Standard 3/ABET 2	19 749	8 309	5.73%
Grade 6/Standard 4	21 373	9 276	6.40%
Grade 7/Standard 5/ABET 3	19 823	8 119	5.60%
Grade 8/Standard 6/Form 1	27 160	11 819	8.16%
Grade 9/Standard 7/Form 2/ABET 4/Occupational certificate NQF Level 1	29 018	12 629	8.71%
Grade 10/Standard 8/Form 3/Occupational certificate NQF Level 2	31 218	12 557	8.66%
Grade 11/Standard 9/Form 4/NCV Level 3/ Occupational certificate NQF Level 3	30 892	11 305	7.80%
Grade 12/Standard 10/Form 5/Matric/NCV Level 4/ Occupational certificate NQF Level 3	38 641	12 331	8.51%
NTC I/N1	384	41	0.03%
NTCII/N2	231	72	0.05%
NTCIII/N3	308	78	0.05%
N4/NTC 4/Occupational certificate NQF Level 5	710	173	0.12%
N5/NTC 5/Occupational certificate NQF Level 5	362	165	0.11%
N6/NTC 6/Occupational certificate NQF Level 5	539	113	0.08%
Certificate with less than Grade 12/Std 10	83	22	0.02%
Diploma with less than Grade 12/Std 10	304	172	0.12%
Higher/National/Advanced Certificate with Grade 12/Occupational certificate NQF	1 647	470	0.32%
Diploma with Grade 12/Std 10/Occupational certificate NQF Level 6	2 630	801	0.55%
Higher Diploma/Occupational certificate NQF Level 7	1 176	308	0.21%
Post-Higher Diploma (Masters)	971	398	0.27%
Bachelor's degree/Occupational certificate NQF Level 7	1 632	552	0.38%
Honours degree/Post-graduate diploma/Occupational certificate NQF Level 8	929	376	0.26%
Masters/Professional Masters at NQF Level 9 degree	266	133	0.09%
PHD (Doctoral degree/Professional doctoral degree at NQF Level 10)	144	22	0.02%
Other	715	435	0.30%
Do not know	1 087	513	0.35%
Unspecified	599	181	0.12%
TOTAL	372 911	144 929	38, 86%

2.8 Grant Dependency

As of April 2020 data from SASSA indicated that the total value of state support in the form of grants, e.g. care dependency (disability), child support (0 – 18 years), foster care, grant in aid, old age (below 75 years), old age (75 years & over), permanent and temporary disability and war veterans to the Elundini population amounted to the value of R 49 439 369 per month in the three (3) towns of the municipality. The table below depicts the distribution of grants in Elundini:

Table 9: Grant Dependency

MACLEAR/UGIE	Grant Type	No. of Beneficiaries	No. of Children	Expenditure
	Care Dependency	145	150	R 226 500.00
	Child Support (Total 0-18)	9 978	18 450	R 6 642 000.00
	Foster Care	1 105	1 580	R 1 406 200.00
	Grant in Aid	316		R 113 760.00
	Old Age	4 610		R 6 919 365.00
	Old Age (75 Years & Over)	1 729		R 2 639 592.00
	Permanent Disability	1 579		R 2 384 290.00
	Temporary Disability	79		R 119 290.00
MACLEAR/UGIE TOTAL		19 541	20 180	R 20 450 997.00
MOUNT FLETCHER	Care Dependency	248	250	R 377 500.00
	Child Support (Total 0-18)	14 480	27 155	R 9 775 800.00
	Foster Care	863	1 163	R 1 035 070.00
	Grant in Aid	1 788		R 643 680.00
	Old Age	5 958		R 8 941 012.00
	Old Age (75 Years & Over)	3 374		R 5 151 421.00
	Permanent Disability	1 920		R 2 896 279.00
	Temporary Disability	111		R 167 610.00
Mt FLETCHER TOTAL		28 742	28 568	R 28 988 372.00
GRAND TOTAL		48 283	48 748	R 49 439 369.00

2.9 People Living With Disability

ELM established partnerships with two Non-Governmental Organizations (NGOs) – Cheshire Home and Siyamthanda Home. These partnerships are renewed annually based on satisfactory performance of these NGOs and financial support is provided to support the running of the centers and care-givers. A service level agreement is signed with each NGO annually with terms of reference and outputs. Below is the presentation of the categories of disabilities by people in the Elundini municipal area:

Table 10: Categories of disability

Category	% population
Seeing	16%
Hearing	10%
Communication	3,1%
Physical Disabilities	29%

Source: Census 1996, Census 2001, Census 2011 and CS 2016

The table below depicts the list of SPU programs that the municipality is implementing:

Table 11: Special Programs Projects

PROGRAM/PROJECT	PLANNED BUDGET (2019/2020)
Implementation of HIV/AIDS Strategy	1 003 686
Promotion of sport development	517 336
Women empowerment	686 069
Empowerment of PWD	601 766
Youth Development	504 840
Mayor's Social Investment	860 536

2.10 Unemployment

Stats SA has not released any new or updated employment statistics and therefore figures used in the analysis of employment for ELM are those that were released in 2011. Assessing employment remains a very complex task to undertake, due to the fact that there are a number of varying methodologies of measuring unemployment. The variations in methods often result in unemployment rates being very different for the same area depending on who has conducted the measurement and which methods were employed in order to do so.

The table below depicts that 9% of Elundini's population is unemployed. Whilst this percentage may seem quite low it is also important to remember that 4% are classified as discouraged work seekers and are therefore technically also not gainfully employed. There is also 47 040 (34%) of the population which is not economically active. Many of those included in the (Not economically Active) population are of working age and therefore could be working. Regardless of the categories that have been used to describe those that are not employed, what is clearly evident is the fact that only 11% of those assessed in Elundini are considered gainfully employed, which is a low employment rate.

Table 12: Employment Status

INDICATOR	NUMBER OF PEOPLE	PERCENTAGE
Employed	14207	11%
Unemployed	11 323	9%
Discouraged work seekers	5305	4%
Not economically active	47040	34%
Not applicable	60 265	44%

Source: Census 2011 and CS 2016

2.11 Local Economic Development

The LED Strategy which was adopted in 2012 and implementable until the end of 2017 and is now under review. The purpose of local economic development (LED) is to build up the economic capacity of a local area in order to improve its economic future and the quality of life for all. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The success of a community today depends upon its ability to adapt to the dynamic local, national, and international market economy.

The key policies that primarily guide the ELM's economic development are:

- ✓ National Framework for Local Economic Development;
- ✓ National Framework for Sustainable development in South Africa;
- ✓ Industrial Policy Action Plan;
- ✓ Integrated Sustainable Rural Development Strategy;
- ✓ National business Act;
- ✓ Spatial Planning and Land Use Management Act of 2013;
- ✓ Towards an Integrated Urban Development Framework;
- ✓ National Cooperative Development Act of 2011;
- ✓ National Housing Policy and Subsidy Programs;
- ✓ Elundini Local Economic Development Strategy;
- ✓ Elundini Spatial Planning Framework

The National Framework for LED in South Africa has been developed as a guide that seeks to advance an understanding of LED and has put forward a strategic implementation approach that municipalities, provinces, national government, State-owned enterprises and communities may concentrate on in order to improve local economic development.

As per the Elundini Local Economic Development Strategy, the objectives of the municipality are:

- ✓ To create an enabling environment which is conducive to attract investment in the region;
- ✓ To create new employment opportunities, thereby reducing high unemployment levels and poverty therefore improving livelihoods;
- ✓ To develop the human resource potential in the region and promote skills development;
- ✓ To strengthen linkages between urban and rural areas in the municipality;
- ✓ To provide a framework in which a culture of entrepreneurship can be created to reduce dependency on government;
- ✓ To ensure that existing LED projects are strengthened and/or consolidated;
- ✓ To identify new economic potential and how this can be unlocked;
- ✓ To diversify the economic base and strengthen existing industry;
- ✓ To maximize the use of local contractors, business and expertise in the implementation of programs and projects;
- ✓ To identify how resources can be harnessed to promote economic growth and development
- ✓ To encourage linkages between neighbouring municipalities.

The ELM's Local Economic Development program focusses on the following areas:

2.11.1 Formal and Informal Trade Development

ELM recognizes the key role that informal trading plays in poverty alleviation, income generation and entrepreneurial development and, in particular, the positive impact that informal trading has on historically disadvantaged individuals and communities. The Municipality will continue playing its central role in supporting the employment and economic initiatives of micro-enterprises, and prioritized the informal economy in its local economic development strategies.

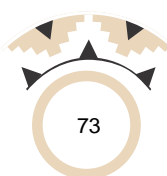
In the next five years the municipality will be developing guidelines to adopt a more developmental approach towards the informal economy and review the by law which related to street trading/ informal trading. The Formal & Informal Business Regulations Compliance which focuses on ensuring that businesses have the necessary permits and licenses to conduct their operations within the legal framework will remain as a focus in trade management.

The municipality is also contributing in the sector by ensuring that the three towns have the main street trading zones in place and also provides infrastructure to the traders.

2.11.2 SMME and Cooperative Development

The National Business Act defines the small business as a separate and distinct business entity including cooperatives and the non-governmental organization's managed by one or more owners. As per the act they are categorized into four such as the micro enterprises, very small enterprises, small enterprise and medium enterprises. Presently the SMME sector is not sustainable, it operates on a survival basis rather than growing the enterprises to create sustainable employment opportunities. ELM has begun a process of creating a necessary infrastructure to support SMMEs to operate on a platform that will grow their businesses to enter the formal sector of business. Furthermore the ELM will work on providing programs to equip SMMEs with critical skills to become more competitive and sustainable.

This will concentrate on:



- ✓ Programs for separate segments as per the act;
- ✓ Policy development and review;
- ✓ Nonfinancial entrepreneurial support initiatives with a particular focus on entrepreneurial training;
- ✓ Research on specific sectors and the role of SMMEs in building partnerships
- ✓ Business network development and support;
- ✓ Capacity building initiatives;
- ✓ Public private partnerships for sector development

The municipality has committed itself to sustainable and meaningful socio-economic transformation of the construction sector, it has put in place a construction procurement strategy to implement in the next five years which is aiming at growing the local construction grades. A local association has also been established which serves as a voice of the sector to the municipality. The local contractor development programs developed by the municipality is being implemented and it has been also embraced by other government institutions who are working with the municipality to support the local contractors. The municipality will do the sector analysis report to reflect on the impact that is made by government as a whole in the growth of the sector

ELM has a dedicated Cooperative Development Centre (CDC) that plays a role in promoting cooperatives through various support initiatives so that a wider spectrum of the community is able to participate in economic opportunities made available to cooperatives. The CDC also plays a role in identifying the needs for skilling local cooperatives and individuals. Secondary cooperatives are being setup to support primary cooperatives operating within the same sector.

The intension is to develop the CDC into a self-sustainable institution which is able to support its local enterprises. The Municipality is concentrating on its governance as one of the elements of its sustainability and will ensure that it has a functional board in place, Centre Manager and Chairperson of the audit committee. The intension is to ensure accountability to the envisaged government funding that will be implemented through the CDC from different government institutions

2.11.3 Property Development

Property development aims to increase value of the Elundini Municipality land portfolio and generate long term recurring income for Elundini, by facilitating development of Council owned land by third party private sector developers, through private partnerships. Discussion are underway between ELM and the Department of Public Works to develop land owned by the state within Elundini. Development facilitation includes project packaging, project preparation, development contracting & actual development.

The municipality will:

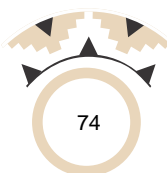
- ✓ Brand strategic municipal and state owned land;
- ✓ Acquire title deeds for all municipal owned land that has been identifies for strategic development to expedite property development transactions;
- ✓ Revenue maximisation;
- ✓ Leveraging of private sector investment

The municipality has enhanced this function with the appointment of a skilled Project Officer in property development. The intention of the municipality going forward is also to empower municipal personnel within the LED section to effectively manage and develop municipal-owned properties.

The municipality is facilitating, through its supply chain process, commercial developments in Mouth Fletcher and Maclear. It is also focusing on housing development programs through the department of housing, JoGeda whilst some are directly facilitated by the municipality

2.11.4 Industrial Development

Rural industrialization means focus on promoting the rural based industries by involving local people, resources and expertise or exploring the new business opportunity related with available resources in that particular rural area or cluster in a professional way. Primary beneficiary must be local farmer, artisan and labour in small or medium enterprise establishment in the rural areas and also support the local eco-system and economy. The basic purpose of rural industrialization is to create alternate model for overall development



of rural society to avoid over dependency on farming by utilizing available opportunities to establish small and medium industries.

ELM will concentrate on a three-way approach which will help in exploring the rural industrialization, and they are:

- i. Agriculture diversification by exploring the opportunities by farming a completely new range of grains, fruits or vegetables;
- ii. Establish agro-food processing initiatives; and
- iii. Non-farm product business establishment by promoting suitable rural enterprises

2.12 Types of Rural Industry available in Elundini (Competitive and the Comparative Advantages)

There are various types of rural industrial possibilities present in Elundini rural areas such as:

2.12.1 Agro Based Industries

This industry is related with the processing of agro products such as wool, fruit, oil from oil seeds and other related processing from raw agro products.

2.12.2 Forest Based Industries

There are possibilities to establish industries related to wood products, bamboo products, honey, preparing manure from plant leaves, herbal medicines production and others.

2.12.3 Mineral Based Industries

Minerals identified in the rural areas should be primarily processed in the nearby villages and therefor creating industries within the rural areas.

2.12.4 Arts and Craft Industry

Industries like handloom, handicraft and other local artisan product manufacturing have immense potential to become professionally managed as a small and medium industry. There is a considerable high demand in the market for traditional handloom and handicraft products and a tie-up in between local artisan and private SMEs can create a scope for small or medium scale industry in the rural areas for better growth. ELM has developed a Craft and Art Centre in Mt Fletcher which started its operation in 2016 as a centre of support to the Art and Craft industry.

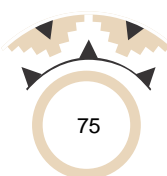
2.12.5 Renewable Energy Industry

Rural areas can be converted into industry hub for producing renewable energy by setting up of commercial alternative energy plant. The municipality will develop a renewable energy strategy which will guide the municipality of the enterprises that it should pursue in the sector.

2.12.6 Agriculture Development

ELM intends to use the partnership it has with Chris Hani CDC and Joe Gqabi Development Agency to attract a direct foreign investment with Argentinians and other countries. The investment aims at both extensive and intensive farming as well as livestock development. ELM and the local farmers will enter into partnership agreements that will allow large scale production which will include local processing as well. An estimated total hectares to be planted in the next five years is 30 000 for the district of Joe Gqabi and 15 000 for Elundini municipality.

The Ugie Industrial park will serve as a processing site for the commercial production. The intention of the municipality, though, is to have Industrial development site in each of the three towns. Whilst the municipality supports the strategic initiatives which aims in promotion of commercial agriculture, with the aim to increase its local production and creating better jobs in the sector (RAFI), it has also partnered with the National Department of Rural Development on the programs that will sustain the food security which will also be integrated into the bigger production (1HA/1 Household).



The municipality will through its political leadership champion rural development programs that seek to alleviate poverty by targeting rural household leaving below the poverty levels. The program will concentrate on development of Farmer Support Centres that serve economic and social needs of the community as well as extensive and intensive agricultural activities. The table below depicts number of stock ownership and the type of agricultural activity undertaken in Elundini according to Community Survey 2016:

Table 13: Stock ownership

Agriculture		2016	
	Number	Percent	
Agricultural households	15 209	42.5%	
CATTLE			
1 – 10	5 547	75.5%	
11 – 100	1 708	23.3%	
100+	89	1.2%	
TOTAL	7 344	100%	
SHEEP			
1 – 10	1 778	30.2%	
11 – 100	3 841	65.2%	
100+	271	4.6%	
TOTAL	5 890	100%	
GOAT			
1 – 10	2 776	55%	
11 – 100	2 226	44.1%	
100+	46	0.9%	
TOTAL	5 048	100%	
TYPE OF AGRICULTURAL ACTIVITY			
Livestock production	11 518	84.5%	
Poultry production	10 549	81.1%	
Vegetable production	4 730	52.3%	
Other	5 145	15.3%	

2.12.7 Tourism Development

Tourism as an economic sector has a potential to grow the local economy and create sustainable jobs and entrepreneurial opportunities. The municipal LED section has created internship posts to provide students who studied Tourism to get the necessary experience required for their studies and this in turn gives the municipality the necessary resources to keep the Tourism Information Centre on weekends opened. ELM in partnership with provincial and national tourism departments will provide opportunities to community members to be trained in various tourism related courses that will empower them to be qualified as tour guides. Various other programs offered by IDC through the national department of tourism will be introduced to the owners of the hospitality facilities.

During the process of developing ward based plans, a number of tourist attractions sites were identified and the Tourism Unit with LED Section is engaging with ward councillors to identify even more attractions that will be used in the tourism marketing material. The LED section will resource itself through the budgeting process to enable it to empower start-up entrepreneurs and community-based organisations within the tourism industry. ELM also provides financial and non-financial support to community initiatives that are tourism related and have a potential to empower local communities.

ELM plans to actively participate in the tourism routes like R56 Route, Madiba Corridor, Maluti Route and any other initiatives in partnership with neighbouring municipalities and the district municipality that have been established.

ELM is also looking at exploring other funding opportunities that made available by various government departments and agencies in order to address the following challenges:

- ✓ Limited funding from municipal resources for tourism;
- ✓ Tourism education, training and awareness;
- ✓ Protection of the environment;
- ✓ Tourism infrastructure, particularly in rural areas;
- ✓ Marketing material

The Municipality has renovated its Tourism information Centre and resourced it to be able to respond to the tourists coming into the area from national international. The National Department of Tourism

2.13 Indicators of Economic Performance

2.13.1 Level of Economic Growth

- ✓ The average annual GGP growth for Elundini Municipality over the period 1995 - 2011 is 7.9%;
- ✓ This outpaces the growth of the Joe Gqabi District, which has an average growth rate of 5.1% and far;
- ✓ Outpaces the growth of the Eastern Cape, over the same period, which only shows growth of 2.8%;
- ✓ Elundini economic outlook has improved, but requires that we actively pursue a different trajectory if we are to address the challenges ahead

2.13.2 Sector Contribution to GGP

The table below depicts the contribution of different sector into the GDP in our area:

Table 14: sector distribution to DGP

SECTOR	2004	2007	2011
Agriculture	8%	6%	4%
Manufacturing	6%	10%	12%
Construction	2%	3%	4%
Trade	12	13%	15%
Transport and communication	9%	9%	7%
Finance and business services	19%	27%	30%
Government	40%	33%	30%

2.13.3 Sector Contribution to Employment: (Census 2011)

Table 15: Contribution to employment

SECTOR	2004	2007	2011
Agriculture	42%	33%	26%
Manufacturing	2%	4%	6%
Construction	8%	8%	9%
Trade	19%	18%	17%
Transport and communication	2%	2%	4%
Finance and business services	4%	7%	10%
Government	26%	27%	28%

As per the statistic above agriculture contribution to employment as well as contribution to the GGP has decreased whilst the manufacturing has increased. There is a need to diversify the composition of products by value adding products. The broadening of economic space through larger consumer markets can give Elundini Municipality the opportunity to develop its economy and increase its competitiveness. Elundini should focus or target high growth markets with the objective of creating investment and export opportunities in the manufacturing sector especially in forestry and agriculture value adding initiatives which are the back bone sectors of this economy. Exporting however should be pursued at the expense of producing for the local market must be ignored as the combination of both could stabilize the income.

2.13.4 Gross Value Added (GVA)

The table below demonstrates how the secondary sector which deals with economic activities such as manufacturing continues to be the largest earner in terms of Gross Value Added.

Table 16: GVA

Gross value added at basic prices, Rm (current prices and constant 2005 prices)				
Industries	Prices	2008	2009	2010
Primary sector	R millions, constant 2005 prices	119	120	112
Secondary sector	R millions, constant 2005 prices	1,540	1,760	1,954
Tertiary sector	R millions, constant 2005 prices	119	120	112

2.13.5 Small Town Regeneration Program

The Eastern Cape Office of the Premier allocated R106m over the MTEF beginning 2017/18 ending 2021 for small town revitalisation which covers upgrading of roads, electricity upgrades, sewer reticulation and other bulk services for revitalisation of Mt Fletcher. A contractor has been appointed to oversee these upgrades over the next three years. A project steering committee has been established and is led by the municipal manager and it is responsible for overseeing the success of the project and ensuring that necessary resources to maintain the infrastructure moving forward are provided.

In support of this initiative the ELM entered into an agreement with the National Department of Public Works and agreed upon a property exchange initiative that will best suit the needs of the community. A property developer has been appointed to build shopping mall that will serve the needs of Mt Fletcher and surrounding areas. Corrective measures have been put to finalise the Mt Fletcher Taxi Rank as part of small town revitalisation. It is however that the municipality has no control over the finalisation of the building of government offices in Mt Fletcher that are also part of the small town revitalisation program. Below is the breakdown of cost for the development of Mt Fletcher:

Table 17: Projects Planned for Mt Fletcher

List of projects		Estimations based on engineer's report			
		Estimated cost	Year 1	Year 2	Year 3
1.	Mt Fletcher Government office block development and electricity supply	R 3 million	R 3m		
2.	Mt Fletcher low cost and middle income housing development and electricity reticulation	R 2,510,000. 00		R 2,510,000. 00	
3.	Mt Fletcher Main Street electrical supply upgrade	R 2,073,000. 00	R 2,073m		
4.	Mt Fletcher substation and electrical network supply	R 8,250,000. 00		R 8,250m	
5.	Mt Fletcher Hillgate surfaced road	R 4 million	R 4m		
6.	Mt Fletcher housing bulk sewer supply	R 18 million	R 4,056m	R 7m	R 7m
7.	Mt Fletcher housing bulk water supply	R 19 million	R 5m	R 7m	R 7m
8.	Mt Fletcher residential access streets unpaved	R 24,5 million	R11, 167m	R 14,167m	R 166 000
9.	Mt Fletcher sewer treatment plant	R 5,3 million	R 5, 3m		
10.	Mt Fletcher Thembeni surfaced ring road	R 10 million			R 10m
11.	Mt Fletcher town alternative surface route	R 8 million			R 8 m
	TOTAL	R 106 636 000. 00			

2.13.6 Partnership with P.G. Bison

The municipality has partnered with the private sector, i.e. P.G Bison, in improving various issues in Elundini around Local Economic Development and Social Development. The following are among the examples:

2.13.6.1 Business Adopt a Municipality Project

In the area of Business Adopt a Municipality, P.G. Bison has partnered with the municipality around the following areas:

- ✓ Disaster Management
- ✓ Small town revitalization – Maclear & Ugie
- ✓ Furniture factory
- ✓ Skills Transfer

2.13.6.2 Community Afforestation Project

- ✓ A formal strategic partnership agreement has been developed where skills transfer over a ten year period is guaranteed through the partnership arrangement with PG Bison.
- ✓ PG Bison is currently offering management, administration and technical support as it is anticipated that timber in close proximity of the PG Bison board plant will be sold to PG Bison at the time of harvesting.
- ✓ PG Bison has employed a Social Forester, whose responsibility is solely to provide all the support to the community Afforestation Projects.
- ✓ The Social Forester has been allocated a vehicle that she uses to travel to these communities on a daily basis.
- ✓ PG Bison offers a forestry learnerships, through funds made available by the Forestry Seta.

2.13.6.3 Imfundo Schools Learning Program

The Imfundo Schools Learning Program is an educational program aimed at assisting High School teachers in Ugie and Maclear by equipping them with better teaching skills in Mathematics, Science, Accounting and English.

2.13.6.4 Joe Gqabi and PG Bison Community Vegetable Garden

The community vegetable garden started in March 2014, and is under the ownership of 15 people from the community. The project is an initiative by Joe Gqabi District Municipality as well as PG Bison, with the hope to include Elundini Local Municipality as a partner since the project is in the municipality's jurisdiction.

2.14 Basic Service and Infrastructure Development

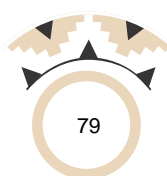
ELM has a functional PMU located within the Infrastructure Planning and Development Department that is capable in delivering infrastructure programs within Roads, Sporting Facilities, Community Halls and Early Childhood Development Centres. The PMU's Organogram and has since been revised to include the position of the OHS Officer who ensures compliance with construction regulations. The Unit also boast the skills of the two (2) ISD Officers who play a social facilitation role and community mobilization in the implementation of all infrastructure projects and both positions have been filled. Among other responsibilities the ISD Officers play, are:

- ✓ Establishment of Project Steering Committee;
- ✓ Facilitation of employment on projects
- ✓ Ensure that project implementation runs smooth

2.14.1 LGSETA Candidacy Mentorship Programme

The LGSETA, working with SAICE-PDP, has decided to extend the engineering candidacy phase programme in Local Government which allows for mentors to be deployed to support the development of engineering graduates. The SDP has been awarded funding from the Local Government Education and Training Authority (LGSETA) for the current year to support the municipality to oversee the development of Candidates towards professional registration with the Engineering Council of South Africa (ECSA)

Accepted people eligible for registration:



Sisekho Sako : Technologist
 Enock Matolo : Technician
 Homba Mnambathi : Technician
 Sindisa Mehlomakulu : Technician
 Toka Matubatuba : Technician
 Ziyanda Fadana : Technician

SAICE has allocated Mr Andrew Brodie a registered Professional Engineer to mentor the candidate in the aspects of design, engineering problem solving and eventual registration in the above professional categories. As part of the programme, candidates have taken on the following projects to design and carry to project implementation:

Castle Rocks Access Road and Bridge Ward 8
 Seqhobong Access and Causeway Ward 13
 Feasibility Study Thutsing Ward 14
 Caltex and Powersave Network Upgrade Ward 3
 Streetlighting R56 Various Wards
 Rehabilitation of roads network in Various Wards

The successful implementation of the programme will go to great lengths towards ensuring the eventual establishment of a design unit within the municipality. This programme continues into the 2020/21 financial year until its planned completion in the year 2022. At the end of the programme, it is hoped that the municipal candidates will have successfully registered as Professional Engineers.

2.15 Implementation of EPWP

ELM participates in the Expanded Public Works Program (EPWP) contributing mainly on the Social Sector, Infrastructure Sector and Environmental Sector. ELM has employed an EPWP Champion Coordinator, located within the Community Services Department to ensure that EPWP programs are run and managed effectively. ELM received two (2) Kamoso awards for two consecutive years and recognition of their contribution on EPWP. In 2016 ELM received an award in the Social Sector Category in the Kamoso Award for the employment of CPLWs and in 2017 received an award in Infrastructure Sector Category for Roads and Maintenance.

2.16 Water and Sanitation

Water and Sanitation services are not competency of the local municipality. According to the Community Survey 2016, the table below depicts the main source of water for drinking in Elundini:

Table 18: Main sources of drinking water

	Joe Gqabi	Elundini	ELM's % access
Piped (tap) water inside the dwelling/house	66 355	13 295	9, 16%
Piped (tap) water inside yard	98 667	13 895	9, 58%
Piped water on community stand	70 294	45 826	31, 6%
Borehole in the yard	4 369	335	0, 23%
Rain-water tank in yard	15 399	3 986	2, 75%
Neighbours tap	10 330	259	0, 18%
Public/communal tap	27 200	13 913	9, 60%
Water-carrier/tanker	2 647	1 176	0, 81%
Borehole outside the yard	5 821	2 225	1, 54%
Flowing water/stream/river	47 567	33 668	23, 23%
Well	11 569	4 542	3, 1%
Spring	12 137	11 630	8, 03%
Other	556	179	0, 12%
	372 911	144 929	

In terms of access to water, 46.09% of households in the Elundini area do not have access to piped water at all. This percentage is quite high and speaks to major challenges in the delivery of this service to households. Only 7% of households have access to water inside the yard whilst 34% of households use a community stand as the main access to water. With regards to the sources of water, 29.06% of households in Elundini use municipal water as a main source of water whilst 15.60% of households use boreholes. 18.07% or 7071 households still use rivers or stream as a main source of water and another 6.49% of households use dams as the main source. It is clear from the statistics presented above that there are significant challenges in terms of ensuring that access to water for all households in Elundini is realized, some of the challenges include the following:

- ✓ Many areas in Elundini Local Municipality do not have access to piped water;
- ✓ Most urban areas in Elundini have access to water, but shortages are occasionally experienced in Ugie and Maclear;
- ✓ In Mount Fletcher a borehole is being utilized which also results in occasional water shortages;
- ✓ Along with the issue of poor access to potable water is the need to improve water resource management;
- ✓ In the IDP ward analysis of needs identified that 50% of wards indicated that access to water or water supply was a service delivery issue.

The growth of towns such as Ugie is placing increased strain on the existing water infrastructure. Future growth will need to be supported by additional bulk water infrastructure. The insufficient bulk water and purification infrastructure is a significant constraint to future growth as any new residential, office or industrial development in Maclear, Ugie or Mount Fletcher will require additional infrastructure investment. The situation within Mount Fletcher is critical due to the current borehole system being unable to supply for the demand. Since the municipality is busy with the rollout of the Ward based Planning program in all its wards, more accurate figures of people with access to water will be available. The District has embarked on a process of formulating a District Water Forum which is responsible for the monitoring of the implementation of the Water Services Master Plan.

2.17 Roads and Storm Water

The Elundini Road Network is made up of the following roads of which the ELM is responsible for 750.4 km of municipal unpaved roads and 29.8 km of municipal paved roads as depicted by the table below. As can be seen from the table below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

Table 19: Types of Roads

Road Type	Category	Length (km)
Tar	Surfaced	40.14
Gravel	Un-Surfaced	594.29
In Situ/ Earth		39.87
Tracks		185.48
Total		860.08

As can be seen from the chart below, the municipality has 32% unpaved roads and only 1% of paved roads. Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads), DR (District) roads and MM (Minor) roads. No funding has been provided for the maintenance of Minor Roads. The National Roads (8% of road network), R56 and R396 are maintained by SANRAL. Private Roads (8% of road network) are mainly farm roads.

Elundini Roads

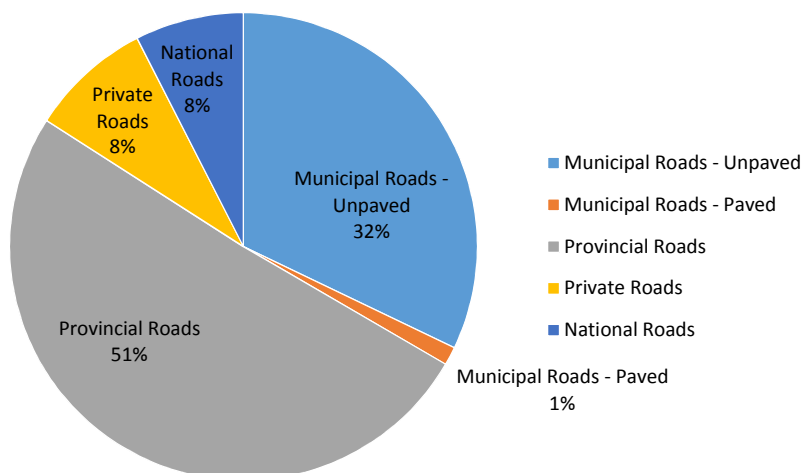


Figure 3: Elundini Roads

The implementation of the SLA between the municipality and the DRPW saw the functioning of the Roads Forum with its meetings sitting quarterly chaired by the Political Head for IP&D and the secretariate from the DRPW. The Roads Section used the EASyRAMS system for the process of establishing a Gravel Road Maintenance Plan. With the discontinuation of the DRPW all district roads now fall under the DoT and which has made its position clear in the discontinuing of the SLA starting in the 2020/21 financial year. No commitment has been made in regard to further continue with road assessment required by the Roads Assest Management System.

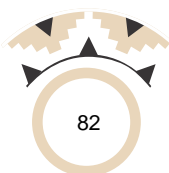
2.17.1 National Roads

These roads are used by heavy freight vehicles and the timber haulage vehicles which have a significant impact in the deterioration of the road pavement design. In the past there were inadequate funds to accommodate road rehabilitation of National Roads but National Roads are now maintained by SANRAL and there has been significant maintenance to the R56 which traverses from the South to North through Elundini Municipality, connecting Ugie, Maclear and Mount Fletcher. It is assumed that future maintenance will be implemented by SANRAL to the R396 which connects Maclear to Tsolo.

2.17.2 Provincial Roads

Provincial Roads are proclaimed roads (51% of road network) which consist of MR (Main Roads, the MR00723 which connects Maclear to Rhodes), DR (District) roads and MM (Minor) roads. Most of provincial gravel roads have deteriorated significantly, due to recent rains, to the level where they would desperately need gravelling rather than occasional patchwork. This has resulted in most of the top surface of roads being eroded to the road bed. Poor drainage leads to roads being impassable in wet weather. No funding is being provided for the maintenance of Minor Roads of which some are in an extremely poor condition. Many of these roads lead to farms and lodges which limits transportation of produce to the market and the travel of tourists into the area.

The DoT is responsible for the maintenance of Provincial Roads and in the past implemented maintenance through the appointment of a service providers. ELM had a service level agreement with the Department of Roads and Public Works for the maintenance of roads in the northern area of Elundini, whereby both municipal and district roads are maintained. Duration of the SLA was from the 30th May 2017 and the completion date was the 29th May 2020. The municipality requested the renewal of the contract but the municipality has been informed that there is no funding available for the 2020/21 financial year. At this point in time it is not clear as to how the DoT will maintain provincial roads in the Elundini area of jurisdiction.



2.17.3 Municipal Paved Roads

The table below depicts the number of Elundini's paved roads:

Table 20: Number of paved roads

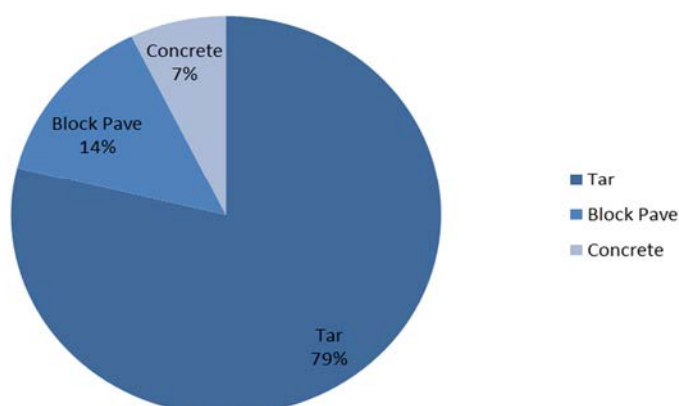
TYPE OF ROAD	NUMBER OF KILOMETRES
Tar	33,841 km
Block pave	4,145 km
Concrete	2,153 km
TOTAL	40,139 km

Many of the black top (tar) municipal paved roads are beyond the period of their useful life span resulting in many which need to be reconstructed. The volume of heavy duty traffic has increased considerably damaging roads that were never designed to carry such heavy loads on a regular basis. The municipality is currently in the process of resurfacing priority roads. To date roads that have been constructed or are in the process of been constructed are:-

- ✓ Some identified roads and streets in the town of Mt Fletcher, including the road to Hillgate is being upgraded and surfaced utilizing the grant funding provided by the Office of the Premier, under the small town revitalization program. The Elundini Local Municipality is continuing with developing the infrastructure of Mount Fletcher. A budget of R106 million over the three years was allocated through the Office of the Premier in the province. The infrastructure to be developed covers water and sewer reticulation, increase the supply of electricity to the town and the paving of roads;
- ✓ Some of the streets in the town of Ugie have been paved by the Provincial Department of Roads and Public Works. This project was left incomplete and in future the municipality will have to consider alternatives means for the completion of these works;
- ✓ The municipality has now planned for the prioritisation of the Maclear streets to be funded under the Municipal Infrastructure Grant (MIG);
- ✓ As part of the 2020/21 plan, the municipality will commence with the refurbishment and maintenance of some key streets in Maclear such as Fourie Street.

Figure 4: Municipal paved roads

Municipal Paved Roads



2.17.4 Municipal Unpaved Roads

The table below depicts the number of Elundini's paved roads:

Table 21: Municipal unpaved roads

TYPE OF ROAD	NUMBER OF KILOMETRES
Gravel roads	594,29 km
Earth roads	39, 873 km
Tracks	185, 484 km
TOTAL	819,647 km

A last assessment for roads was carried out at the end of 2017 by Engineering Advice Services and a new assessment is critical to ensure the continuation of the Roads Asset Management System. It can also be noted from the above diagram how important a maintenance plan is in order to ensure that our road infrastructure does not deteriorate any further. In the development of a maintenance plan, the above roads are taken into consideration and presented for prioritization.

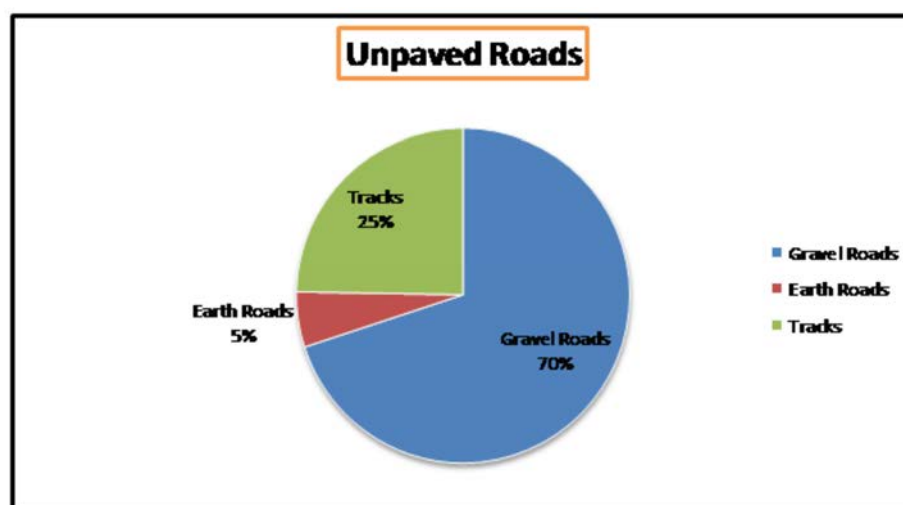


Figure 5: Municipal unpaved roads

From the chart above it can be seen that 5% of unpaved roads are earth roads and 25% of unpaved roads are tracks. No maintenance can be done on these roads and any rain would simply cause tracks to become muddy when bladed with a grader. The above chart does not take into consideration any new roads which require construction. This leaves the Roads Section with a total of 525km of gravel roads to maintain.

2.17.5 Condition of Gravel Roads Assessed

Results from the road assessment in 2017 the municipality received a second set of roads assessment. It must be understood that another assessment is required to establish current road conditions.

Table 22: Condition of Elundini roads

Elundini Network Assessment 2015							
National	175.749						
Provincial	1269.691						
Municipal	780.136						
Private	196.655						
	<u>2422.231</u>						
Municipal Network Assessment 2015				Municipal Network Assessment 2017			
Unpaved	750.749			Unpaved	770.78		
Paved	29.74			Paved	30.912		
	<u>780.489</u>				<u>801.692</u>		
Unpaved 2015		Gravel Condition 2015		Unpaved 2017		Gravel Condition 2017	
Gravel	525.038	Good	25.08	Gravel	549.412	Good	0
Track	185.485	Fair	92.633	Track	189.23	Fair	57.758
Earth	39.874	Poor	129.673	Earth	32.139	Poor	138.301
	<u>750.397</u>	Very Poor	140.347		<u>770.781</u>	Very Poor	315.204
		Not Rated	137.302			Not Rated	38.147
			<u>525.035</u>				<u>549.41</u>
Paved 2015		Paved Condition 2015		Paved 2017		Paved Condition 2017	
Tar	23.441	Very Good	0.39	Tar	24.105	Very Good	9.725
Block	4.145	Good	9.833	Block	6.135	Good	7.062
Concrete	2.152	Fair	7.135	Concrete	0.671	Fair	4.418
	<u>29.738</u>	Poor	4.939		<u>30.911</u>	Poor	2.577
		Very Poor	0.394			Very Poor	0.323
		Not Rated	7.398			Not Rated	6.806
			<u>30.089</u>				<u>30.911</u>

Due to conditions outside the control of the municipality (rain) the status of our road network keeps changing. As a result of this, constant assessment of the road network is required to ensure that we do not allow the asset to depreciate to zero value. The cost to re-construct a road far exceeds the cost to maintain a road and the lack of suitable gravel may result in an inferior road being constructed. Natural resources are not always available. It must be noted that if the municipality constructs 100km over a five year period then the Maintenance Section becomes responsible for the maintenance. Often the roads constructed are new roads and not the re-construction of existing roads. In the development of a maintenance plan, the above roads will be taken into consideration and presented for prioritization.



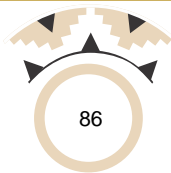


2.18 Roads Maintenance

The table below depicts roads to be maintained in 2020/21 financial year:

Table 23: Plan for Maintenance of Access Roads in Northern Section

ROAD NUMBER	ID	FULL LENGTH(km)	WARD NO	DESCRIPTION OF ROADS AREA COVEVERD	ROAD CONDITION		MAINTANABCE REQUIRED
					AVAILABLE GRAVEL (mm)	CONDITION	
AC62811	1141243	0.127	15	Tsekong	25-50mm	very poor	Regravelling
	1142885	0.78	15	Tsekong	50-100 mm	fair	Patch gravelling
	1142433	0.31	15	Tsekong	25-50mm	very poor	Regravelling
Unnamed	1140577	0.39	15	Tsekong	50-100mm	fair	Reshaping
Unnamed	1141165	0.43	15	Tsekong	0mm(Road washed away)	very poor	Regravelling
AC60655	1141434	1.14	15	Tsekong	100-125mm	Fair	Reshaping
	1141164	1.89	15	Makguleleng	100-125mm	Good	Reshaping
	1140997	3.42	15	Kgalatsu	100-125mm	Good	Reshaping
AC62810	1142429	0.34	15	Makguleleng	>125mm	Good	Reshaping
	1141242	0.41	15	Makguleleng	>125mm	Good	Reshaping
AC62809	1141241	0.65	15	Tsekong	100-125mm	fair	Reshaping
Unnamed	1142431	1.6	15	Tsekong	0mm	very poor	Regravelling
Unnamed	1142886	1.12	15		50-100mm	fair	Reshaping
Unnamed	1142468	0.44	15		50-100mm	Fair	Reshaping
AC60438	1140576	2.61	15	Kgalatsu-B	>125mm	Good	Reshaping
AC60657	1141436	4.37	15	Tsolobeng to lower tokoana	100-125mm	Good	Reshaping
Unnamed	1142426	2.64	15	Lower Tokoana	50-100mm	Good	Reshaping
Total km's		22.667					



ROAD NUMBER	ID	FULL LENGTH(km)	WARD NO	AREA COVERED	ROAD CONDITION	MAINTANANCE REQUIRED
AC60435	1140585	4.85	14	Lower Tokoana-upper Tokoana	50-100mm	Reshaping
	1178953	3.23	14	Gxwaleni B	50-100mm	Reshaping
	1142428	1.03	14		50-100mm	Reshaping
AC63651	1141419	1.22	14	Vuvu	1-25mm	Regravelling
	1142421	5.5	14	Phirintsu to Kwaxhabadiya	0mm(Road not drivable)	Regravelling
AC60472	1142422	2.7	14	Kwaxhabadiya	0mm(Road not drivable)	Regravelling
	1141012	1.9	14		0mm(Road not drivable)	Regravelling
AC60475	1141017	5.2	14	Mchetyana	0mm(Road not drivable)	Regravelling
AC63692	1141307	2.3	14	Phirintsu- B	50-100mm	Regravelling
	1178958	1.3	14	Sethabathaba	100-125mm	Reshaping
AC60476	1141068	1.81	14	Diphokong	100-125mm	Reshaping
Total km's		31.04				
AC63685	1142244	6	13 & 11	New Stence- Mafusini	50-100	Reshaping
Unnamed	1141411	4.6	13	Mosana-Sethathi	100-125mm	Reshaping
AC60422	1141032	3.3	13	Mashata	100-125mm	Reshaping
AC60481	1141414	4.4	13	Kwebung	25-50mm	Regravelling
Total km's		18.3				
AC63681	1141432	6.2	11	Gobho	50-100mm	Regravelling
AC60427	1140600	2.3	11	Thembeni	50-100mm	Regravelling
AC60428	1142241	0.93	11		50-100mm	Reshaping
AC63676	1141297	5.6	11	Thambekeni-Ntatyani	25-50mm	Regravelling
Unnamed	1142394	2.4	11	Dengwane	50-100mm	Reshaping
Unnamed	1178937	0.69	11	Dengwane	50-100mm	Reshaping
Unnamed	1178987	1.38	11	Dengwane	50-100mm	Reshaping
AC63708	1141323	0.96	11	Dengwane	50-100mm	Reshaping
Unnamed	1142391	1.04	11	Dengwane	50-100mm	Reshaping
	1178936	0.66	11	Dengwane	50-100mm	Reshaping
Total km's		22.16				
AC60628	1178940	0.85	10	Maheheng-Tsolobeng	1-25mm	Regravelling
AC60656	1141417	0.61	10	Braki	25-50mm	Regravelling
	1142232	0.47	10	Braki	25-50mm	Regravelling
AC62701	1141201	2.64	10	Mpharane	Poor	Reshaping
AC62703	1141203	2.6	10	Mpharane	Poor	Reshaping

ROAD NUMBER	ID	FULL LENGTH(km)	WARD NO	AREA	COVERD	ROAD CONDITION	MAINTANANCE REQUIRED	ROAD NUMBER
AC60416	1141083	1.431	10	Mathafeni-C		50-100mm	Poor	Reshaping
	1141352	1.08	10	Mathafeni-C		0mm	Very poor	Regravelling
	1178934	2.6	10	Mathafeni -C		50-10mm	Poor	Reshaping
	1178933	2.1	10	Mathafeni		50-100mm	Poor	Reshaping
Unnamed	1142375	0.64	10	Mathafeni		1-25mm	Very poor	Regravelling
Unnamed	1142519	0.45	10	To Sondaba SPSchool		1-25mm	Very poor	Regravelling
Unnamed	1142520	0.54	10			1-25mm	Very poor	Regravelling
Unnamed	1178983	0.64	10	To Mbambangwe SP School		50-100mm	Poor	Reshaping
AC63711	1178984	0.24	10	Mbambangwe		50-100mm	Fair	Reshaping
AC63712	1141325	0.9	10	Zingonyameni		1-25mm	Very poor	Reshaping
AC63713	1141326	0.59	10	Mbambangwe		50-100mm	Poor	Reshaping
AC60417	1141453	1.6	10	Mbambangwe		50-100mm	Poor	Reshaping
Total km's		19.98						
Unnamed	1142280	4.1	12	Mohoabatsana		50-100mm	Poor	Reshaping
AC60418	1141073	2.89	12	Mazizini		0mm	Very poor	Regravelling
AC63699	1141214	4.1	12	KwaMoleko-Setaka-Thabatlala		100-125mm	Fair	Reshaping
AC60420	1141075	2.5	12	Thabatlala-R56		100-125mm	Fair	Reshaping
AC60673	1141427	4.1	12	R56-Kinira Port		25-50mm	VeryPoor	Regravelling
Unnamed	1142378	3.1	12	KwaMoleko		100-125mm	Fair	Reshaping
Unnamed	1142379	0.9	12			50-100mm	Poor	Reshaping
Total Km's		21.690						
Totals of different activities		135.838						



Table 24: Plan for Maintenance of Access Roads in Southern Section

ROAD NUMBER	ID	FULL LENGTH (km)	WARD NO	AREA	COVERED	ROAD CONDITION	MAINTENANCE REQUIRED
unnamed	1141406	4.72	6	Mambulwini A/Elundini NU	100-125	Fair	Reshaping
unnamed	1178930	1.22	6	Block A- Siqhungwini SP	100-125	Fair	Reshaping
unnamed	1178931	1.06	6	BlockB-Siqhungwini	100-125	Fair	Reshaping
AC30396	1142918	2.94	6	Mqokolweni D	50-100mm	Poor	Reshaping
	1140777	1.52	6		50-100mm	Poor	Reshaping
Total km's		11.46					
AC30406	1141387	2.93	5		2.93	Rip & Shape	
AC30406	1141389	0.35	5		0.35	Blade	
	1141394	1.03	5		1.03	Rip & Shape	
AC30406	1141395	0.59	5		0.59	Rip & Shape	
AC30406	1141396	0.13	5		0.13	Rip & Shape	
	1141401	0.39	5		0.39	Rip & Shape	
	1142947	1.63	5		1.63	Rip & Shape	
	1142949	5.09	5		5.09	Rip & Shape	
	1142950	0.51	5		0.51	Rip & Shape	
	1142951	0.40	5		0.40	Rip & Shape	
	1142956	0.93	5		0.93	Rip & Shape	
AC30406	1200488	0.61	5		0.61	Rip & Shape	
AC30406	1200489	2.41	5		2.41	Rip & Shape	
AC30405	1141391	3.37	5		3.37	Rip & Shape	
Ntushuntsu		0.6	5		0.6	Regravelling	
Total Km's		20.97					

The tables below depicts planned maintenance for urban roads for the 2020/21 financial year:

Table 25: Planned Maintenance for Maclear

Financial Year 2020-21 - Maintenance Schedule - Maclear					
Quarter	Months	Activity	Quantity	Description of Works	Location
1	July to September 2020	Maintenance of access roads (km)	2	Patch graveling (Main Routes)	Maclear Town Streets, Clearview and Greenfield Township
		Rehabilitation of Maclear Streets (km)	1	Layer works	Uitsig, Station and Rugby Street
		Road Reserve Maintenance (m ²)	2220	De weeding	Maclear Town Streets
		Stormwater(m)	1020	Cleaning of s/w channels, manholes and pipes	Maclear Town, Kwazakhele Township and Clearview Township
		Surfaced road maintenance (m ²)	300	Pothole Patching and Slurry Seals	Hulley, Murray, Willow and Malherbe Street
		Stormwater (No.)	13	Re building Channels and Inlets/Outlets	Langley, Hulley, Willow, Murray and Malherbe Street
Quarter	Months	Activity	Quantity	Description of Works	Location
2	October to December 2020	Surfaced road maintenance (m ²)	730	Pothole Patching and Slurry Seals	Arbeck and Schmidt Street
		Rehabilitation of Maclear Streets	2km (inbound and outbound)	Laying kerbs	Uitsig, Station and Rugby Street
		Stormwater (m)	963.4	Cleaning of s/w channels, pipes and manholes	Greenfields and Zakhele Township
		Stormwater (No.)	4	Re construction of Manhole covers and frames	Maclear Town (main street)
		Stormwater (No.)	7	Re construction of walls, Inlet and Outlet Structures	Maclear Town (main street) and Greenfields
Quarter	Months	Activity	Quantity	Description of Works	Location
3	January to March 2021	Road Reserve Maintenance(m)	170	Re building of Storm water Channels	Hulley Street, Kirk Street and Malherbe Street
		Rehabilitation of Maclear Streets (km)	1	Sidewalk Edging and Paving	Uitsig, Station and Rugby Street
		Stormwater (m)	1090	Cleaning of s/w channel	Hulley Street, Kirk Street and Malherbe Street
		Stormwater (No.)	5	Replacement of broken manhole covers	Maclear Town
		Stormwater (m)	360	Cleaning of s/w channels, manholes and pipes	Zakhele Township, Clearview, Maclear Town and Green fields
		Road Reserve Maintenance(m ²)	2220	De weeding	Maclear Town Streets
		Surfaced road maintenance (m ²)	730	Pothole Patching and Slurry Seals	Busby

Quarter	Months	Activity	Quantity	Description of Works	Location
4	April to June 2021	Stormwater (m)	1050	Cleaning of s/w channels, manholes and pipes	Maclear Town, Sithole and Sonwabile Township
		Surfaced road maintenance (m ²)	240	Slurry Seal and Pothole Patching	Sithole and Sonwabile Township
		Stormwater (m)	160	Formalise stormwater pipe line	Maclear Town
		Stormwater (m ²)	23	Maintenance of approaches to Polar Park Crossing	Polar Park Crossing
		Stormwater (No.)	7	Re building of Storm water Channels, Manhole, Inlet and outlet structures	Maclear Town, Sithole and Sonwabile Township

Table 264: Planned Maintenance for Ugie

Financial Year 2020-21 - Maintenance Schedule - Ugie					
Quarter	Months	Activity	Quantity	Description of Works	Location
1	July to September 2020	Surfaced road maintenance(m ²)	395	Pothole patching and slurry seal	Ntokozweni Township
		Maintenance of access roads (km)	2.6	Rip and Reshape (Main Routes)	Pop Corn Valley and Ugie Town
		Re building road side structures(No.)	8	Re building Inlet/Outlet Structures	Church, Van Riebeeck and Plien Street
		Re building road side structures (No.)	4	Re building Inlet/Outlet Structures	Pop Corn Valley
		Road Reserve Maintenance(m ²)	4430	De weeding	Ugie Paved Streets
		Stormwater (m)	1080	Cleaning of s/w pipes	Old Location
		Stormwater (m)	39	Cleaning of s/w channels	Ntokozweni Township
		Stormwater (m)	155	Cleaning of s/w pipes	Pop Corn Valley and Smith Street
		Stormwater (m)	1053	Cleaning of s/w channels	Umnga Road

Quarter	Months	Activity	Quantity	Description of Works	Location
2	October to December 2020	Maintenance of access roads (km)	4.63	Rip and Reshaping	Ugie Park, Takalani, Robben, Land Camp and Ntokozweni Township
		Road Reserve Maintenance (m ²)	1632	Repairing Brick sidewalk and road surfacing	Van Riebeeck Street
		Stormwater (m)	1055	Cleaning of s/w crossings	Takalani, Robben Township and Ugie Park
		Stormwater (No.)	12	Re building Inlets and Outlet Structures	Takalani, Robben Township, Land Camp and Ugie Park
		Surfaced road maintenance (m ²)	1400	Repairing Brick paving surfacing	Bokwe Street and Van Riebeeck Street

Quarter	Months	Activity	Quantity	Description of Works	Location
3	January to March 2021	Stormwater (m)	1345	Cleaning of s/w Pipes and Manholes	Ntokozweni Township and Land Camp
		Surfaced road maintenance (m ²)	730	Repairing Brick paving road surfacing	Old Location
		Road Reserve Maintenance(m ²)	4430	De weeding	Ugie Paved Streets
		Stormwater (No.)	3	Inlets and Outlet Structures	Ntokozweni Township
		Stormwater (m)	23	Re building s/w crossings	Ntokozweni Township

Quarter	Months	Activity	Quantity	Description of Works	Location
4	April to June 2021	Stormwater (m)	233	Cleaning of s/w Pipes and Manholes	Robben, Ugie Park and Takalani Township
		Surfaced road maintenance(m ²)	522	Slurry Seals and Pothole Patching	Ntokozweni Township
		Stormwater(m ²)	37	Maintenance of approaches to Low Level Crossing	Robben Township

Table 275: Planned Maintenance for Mt Fletcher

Financial Year 2020-21 - Maintenance Schedule -Mt Fletcher					
Quarter	Months	Activity	Quantity	Description of Works	Location
1	July to September 2020	Maintenance of access roads (km)	4.3	Patch Graveling	Ilisolomzi Township (Main Routes)
		Stormwater (m)	1300	Cleaning of s/w pipes and manhole	Mt Fletcher Town
		Stormwater (m)	1250	Cleaning of s/w channels	Ilisolomzi Township
		Surfaced road maintenance (m ²)	4050	Base stabilise Pothole patching and Slurry Seal	Road to Lehana High School
		Road Reserve Maintenance (m ²)	2250	De weeding	Ilisolomzi Township and Mt Fletcher sidewalks

Quarter	Months	Activity	Quantity	Description of Works	Location
2	October to December 2020	Surfaced road maintenance(m ²)	140	Pothole patching	Mt Fletcher Town
		Maintenance of access roads (km)	0.5	Patch graveling	Nkululekweni (Main Route)
		Road Reserve Maintenance (m)	25	Constructing dissipators	Ilisolomzi Township

Quarter	Months	Activity	Quantity	Description of Works	Location
3	January to March 2021	Maintenance of access roads (km)	2	Rip and Reshaping	Ilisolomzi Township
		Stormwater (m)	1300	Cleaning of s/w pipes and manhole	Mt Fletcher Town
		Road Reserve Maintenance (m ²)	53	Repairing sagging side walk	Mt Fletcher Town
		Surfaced road maintenance (m ²)	500	Slurry Seals and Pothole Patching	Mt Fletcher Town

Quarter	Months	Activity	Quantity	Description of Works	Comments
4	April to June 2021	Road Reserve Maintenance(m ²)	2250	De weeding	Ilisolomzi Township and Mt Fletcher (sidewalks and s/w channels)
		Road Reserve Maintenance (m ²)	74	Repairing sagging side walk	Mt Fletcher Town

2.19 Documentation which Influences the Construction and Maintenance of Roads

There are a number of documents which set guidelines to both the PMU Section and the Roads Section when constructing or maintaining roads. They are:-

a. Local Integrated Transport Plan (LITP)

Minimum contents for a Local Municipality's Integrated Transport Plan:

- ✓ The ELM Local Integrated Transport Plan (LITP) is prepared for every five years and submitted to the district municipality. The plan should be updated annually where appropriate;
- ✓ The plan has been prepared as an input to the District Integrated Transport Plan (DITP) and synchronised with the timing of the preparation of the DITP. The LITP must consist of the chapters as indicated below:
 - i. Introduction
 - ii. Transport Status Quo (Inventory and condition of transport infrastructure)
 - iii. Transport Needs Assessment
 - iv. Transport Improvement Proposals
 - v. Implementation budget and program
 - vi. The LITP is a working document in which changes are made and updated on an annual basis.
 - vii. The LITP is a comprehensive document and it identifies a number of projects that are required to be completed internally.
 - viii. The LITP incorporates the Roads Master Plan which is linked to the municipality's LED Strategy.

b. Storm Water Master Plan (SMP)

The master plan was developed in conjunction with Aurecon who was contracted to develop the municipal stormwater management plan. This is being utilised during the construction and upgrades of the roads network will continue in all future roads and stormwater projects.

The main aims of developing the SMP are, among others are:

- i. Update the existing records of infrastructure assets
- ii. Manage storm water assets
- iii. Identify problems or problematic areas within the storm water systems
- iv. Develop a rational basis from which to implement improvements
- v. Develop storm water guidelines and standards for future work

c. Roads Asset Management Policy

The roads asset management policy was adopted by council of Elundini. The document strives to address the issues identified in ISO 55001 that need to be addressed in an Asset Management Policy namely:

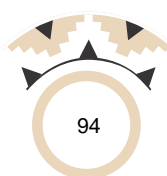
- i. are appropriate to the purpose of the organization
- ii. provide a framework for setting asset management objectives
- iii. include a commitment to satisfy applicable requirements
- iv. Include a commitment to continual improvement of the asset management system.

The road infrastructure asset management policy shall:

- i. be consistent with the organizational strategic plan(s)
- ii. be consistent with other relevant organizational policies
- iii. be appropriate to the nature and scale of the organization's assets and operations
- iv. be available as documented information
- v. be communicated within the organization
- vi. be available to stakeholders, as appropriate
- vii. be implemented and be periodically reviewed and updated.

The goal of our road infrastructure asset management policy is:

"To ensure that the Elundini Access Roads provide the best possible level of sustainable service to users and optimal economic growth of the ELUNDINI MUNICIPALITY, subject to budget constraints."



d. Road Maintenance Plan

The Elundini Local Municipality has recognised the need to develop a comprehensive Roads and Storm Water Maintenance Plan that provides a structure within the municipality to strategically budget for maintenance of its roads and storm water infrastructure. The purpose of the Maintenance Plan is to provide the Municipality with a broad overview of the Maintenance Strategy and how this is accommodated within the allocated budget. This plan is done on an annual basis taking into consideration available funds and infrastructure condition in critical areas, The following are the main items that are taken into consideration when developing the Maintenance Plan:

- i. Assessing the road network in order to quantify the required road maintenance activities,
- ii. Developing a preliminary road maintenance strategy,
- iii. Develop a priority list of work to be conducted which is acceptable to all stake holders to suite the available budget, and
- iv. Social requirements of the community.

Activities of Road Maintenance are listed below:-

- (i) Paved (Tar) Roads:-
 - a. Pot Hole Patching
 - b. The application of a slurry to the road to seal cracks
 - c. Maintenance of associated storm water
- (ii) Gravel Roads (these roads have existing storm water infrastructure):
 - a. Dry Blading
 - b. Wet Blading
 - c. Special Blading
 - d. Patch Gravelling
 - e. Maintenance of associated storm water
 - f. Rehabilitation of the road by rip, reshape, compact and add a new gravel wearing course to the road

Any roads where there is no gravel on the road and requires the design of storm water infrastructure should be accepted as roads which require construction.

e. Funding for Road Maintenance

Road maintenance funding for rural access roads has always been a challenge but recently there have been new developments. Previously, the municipality has taken advantage of the SLA between the municipality and DOT to fund a majority of roads maintenance in the northern part of the municipality. With the SLA coming to an end, alternative means of funding to complement own revenue will have to be sourced.

There has been a change in the Division of Revenue Bill which states that:

- ✓ Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including roads maintenance

ELM therefore is required to develop the Roads Maintenance Plan in line with the Rural Roads Asset Management System (RRAMS) including the funds that will be allocated to the plan.

2.20 Status Quo in the Roads Section

ELM has a full functional Roads Construction Unit with a full set of Plant equipment to ensure quality services are rendered for the maintenance of roads in Elundini.

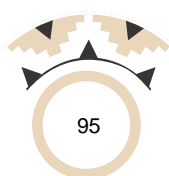


Table 36: Review Findings on assessment of the roads section

	FINDING	PERFORMANCE AREA	MANAGEMENT RESPONSE PLAN
1	Insufficient reserves built up for replenishing of the fleet	Financial performance	Increase the productivity in order to provide sufficient reserves for the replenishing of the fleet
2	Plant nearing the end of its useful life	Financial performance	Bell has been approached to provide quotations on the refurbishment of plant
3	The Servicing and Maintenance of the plant has not been managed properly	Plant Productivity	Schedule of maintenance of the plant has been developed and additional capacity for plant maintenance was sourced through hiring of two artisan aides for the in house mechanic. This function was strengthened to implement some of the servicing in house to reduce expenditure with Bell Equipment who previously implemented all maintenance and repairs on Bell plant
4	Lack of standard operating procedures or guidelines in the operation of the plant	Plant Productivity	A set of Standard Operating Procedures has been formulated and the policy adopted by Council.
5	Deficiencies in preventative maintenance processes	Plant Productivity	This item has been addressed under item 3 above
6	Duties and responsibilities on personnel involved in running the plant	Staffing	Staffing in the roads section has been secured so as to augment the internal capacity
7	No continuous training for the key staff running the plant	Staffing	During this financial year the operators and other key personnel have been sent for refresher training
8	Inefficient Records Management	Operations and Management	This was initially resolved through the appointment of a contract roads technician. Further to this, vacancies of the foreman were also filled.
9	Lack of monitoring of actual expenditure	Operations and Management	The post of Finance Manager: Projects attends to this requirement with the assistance of the Administered for Building and Civil Works
10	Lack of project management on previous projects implemented	Operations and Management	The technicians within the unit ensure proper project management for all the projects that utilises the plant
11	Deficiencies noted on the licencing of vehicles	Operations and Management	Licensing deficiencies has been resolved
13	Lack of a letter of good standing.	Operations and Management	Letter of good standing is in place.

2.21 Housing Provision

The provision of houses remains the sole responsibility of the Department of Human Settlement and the Elundini Municipality only plays the facilitation role. The facilitation responsibilities of the municipality include but not limited to:

- Identification of suitable land for building of houses in line with the SDF;
- Engaging communities on the suitable type of houses to be built on their areas;
- Compiling a demand list, submit it to the municipal Council for endorsement then send project list to the DHS;
- The department then develops a project list of new houses to be built in dealing with the housing demand;
- Compiling of beneficiary lists and submitting it to the department for scanning;
- Engaging other sector departments for the provision of other services;

The Department of Human Settlement, together with the ELM, have during the financial year, 2014/2015, undertook a second round of reviewing the Elundini Housing Sector Plan (HSP). The review of the HSP has led to a substantive status quo analysis, aiming to meaningfully identify and assess the housing and infrastructure situation as it related to demand, supply and integration. Importantly so, when reviewing the HSP, much was put on the implementability of desired projects to ensure accelerated development of sustainable human settlement and therefore, for each identified project, a feasibility study was conducted. As a result, the HSP lists all implementable projects as 'planned', whereas the non-implementable ones are reflected as 'desired'. Other housing projects for ELM can also be seen on Section G of this document.

The pivotal foci of the HSP review process were: integration – characterized by visits to the broader community, sectorial departments and stakeholders; inclusivity – characterized by presentation of the HSP to the municipal Council for endorsements, resulting in ultimate approval of the HSP by the MEC for Human Settlements; and analysis – characterized by a study of the human settlement situation, latest statistical data and other relevant documentary evidence. The HSP, with further details on human settlement is attached to this document as an annexure. Although the housing provisioning rests with the department of Human Settlement, the municipality together with the officials from the department has identified all blocked and defective housing projects and those that are ready to be implemented. The identified housing projects are located in the urban areas as well as in the prioritized areas. ELM in line with the Municipal Property Rates Act, develops a valuation roll of all the registered properties within its area of jurisdiction. The Act requires that local municipalities to generate a valuation roll every 4 years and a supplementary valuation roll every year to update relevant information on the roll. The value of the properties reflecting on the valuation roll serves as the basis for the property rates billed to property owners to generate municipal revenue as depicted in the annual budget report. Due to the alignment process with the amended property rates Act, CoGTA has requested all municipalities to extend the validity period of the valuation roll with one year in order to facilitate an improved reporting and assessment process for all municipalities to ensure compliance to the Act.

ELM was due for general valuation whose valuation date was 01 June 2017. The Municipality's Valuation Roll was approved in June 2018 for implementation on 01 July 2018. A supplementary valuation was made available for objections and commenting from 01 May 2019 and objections closed on 31 May 2019.

ELM is in the process of revising existing town planning schemes and policies in order to align with the Spatial Planning and Land Use Management Act. The municipality's GIS system is being upgraded in order to ensure accuracy of all available information on properties and municipal assets and infrastructure. Importantly in line with the Property Rates Act, the municipality has a Municipal by-law and Property Rates Policy, property owners are billed rates monthly which are due and payable within 30 days of date of invoice. Of importance to note is that in ELM there were no land claims lodged in our municipal area and this was verified by the letter received by the municipality from the Land Claims Commissioner.

2.22 Electricity

The statistics as per Community Survey 2016 for access to energy is as follows:

2.22.1 Household access to electricity

Table 37: Access to electricity

Source	JGDM	ELM
In-house conventional meter	21714	6165
In-house prepaid meter	283756	87741
Connected to other source which household pays for	2199	24
Connected to other source which household is not paying for	128	-
Generator	362	170
Solar home system	2832	2322
Battery	-	-
Other	4206	3659
No access to electricity	57715	44847

Source: Community Survey 2016

2.22.2 Household usage of candle

Table 38: Use of candle

	Yes	No	Unspecified
DC14: Joe Gqabi	197556	128730	46626
EC141: Elundini	94124	32907	17899

Source: Community Survey 2016

2.22.3 Municipal survey on electricity

The municipality is distributing electricity to two of the three towns namely Ugie and Maclear in the south, with the whole of rural and Mt Fletcher area to the north being supplied by Eskom.

Access to electricity has progressively improved since the last financial year because there have been some areas around the municipality that have been electrified. This is annually implementation on the Integrated National Electrification Programme INEP funded by Department of Mineral Resources and Energy (DMRE). INEP implementing agencies are Eskom, municipalities and non-grid service providers. The most hit areas still without electricity are the rural villages around the Mt. Fletcher area. The progress in electrification was affected by Eskom demarcation which previously located Mt. Fletcher area in KZN. ELM bills its urban consumers of electricity on a monthly basis.

ELM has developed the Electricity Master Plans, for electricity, for both Ugie and Maclear towns intended for both the development and expansion of electricity infrastructure and supply for both towns. Both the two towns Ugie and Maclear have total transformer installed capacity of 10985kVA and 7680kVA installed respectively.

ELM was given license by NERSA to supply and distribute electricity to the towns of Ugie and Maclear. The municipality is also providing alternative energy, solar system, to Wards 4, 8, 11, 12, 13, 14, 15 and 16. The electrification of rural households is largely dependent on the electrification program by ESKOM. The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households.

ELM, through its Public Participation Unit, together with the Ward Councillors consolidated a list of all households in all the wards that are still not have been electrified. The electrification backlogs below reflect that there are still 24 221 households, equalling 41% of households who are still not have been electrified and 31 655 households, equalling 59% of households that have been electrified.

The table below depicts the electrification backlogs and planned electrification by ELM:

Table 289: Installation of Solar Heating System

AREAS	NUMBER OF UNITS
Bhekela (Ugie)	1 456 units
Takalane (Ugie)	664 units
Ugie Park	250 units
Maclear Phase 1	665 units
Greenfields Maclear	250 units
Mangoloaneng	365 units
Ngcele	500 units
Katkop	500 units
Isinxako (under construction)	486 units

ELM, through its Public Participation Unit, together with the Ward Councillors consolidated a list of all households in all the wards that are still not have been electrified. The electrification backlogs below reflect that there are still 19 010 households, equalling 41% of households who are still not have been electrified and 19 222 households, equalling 59% of households that have been electrified.

The table below depicts the electrification backlogs and planned electrification by ELM

Table 40: Electrification backlog

Ward	Villages	Total H/H	Electrified	Not Electrified	% Not Electrified	Required to Eradicate Backlog
1	10	2 837	0	612	22%	R 14 076 000,00
3	1	200	0	200	100%	R 4 600 000,00
4	11	2 697	304	425	16%	R 9 775 000,00
5	15	2 704	2 348	356	13%	R 8 188 000,00
6	9	4 848	4 732	116	2%	R 2 668 000,00
7	26	3 017	548	2 358	78%	R 54 234 000,00
8	21	2 422	988	125	5%	R 2 875 000,00
9	7	2 354	1 648	706	30%	R 16 242 600,00
10	16	3 911	2 999	912	23%	R 20 976 000,00
11	12	3 065	2 281	749	24%	R 17 227 000,00
12	11	4 430	0	3 895	88%	R 89 585 000,00
13	13	2 619	0	1 360	52%	R 31 280 000,00
14	12	2 073	486	1 587	77%	R 36 501 000,00
15	24	2 826	626	2 200	78%	R 50 600 000,00
16	16	3 466	478	2 877	83%	R 66 171 000,00
17	16	2 866	1 784	532	19%	R 12 236 000,00
TOTAL	220	46 335	19 222	19 010	41%	R 437 234 600,00

As per the ESKOM electrification program, below is the plan for electrification for the financial year 2020/2021 in Elundini:

Table 41: Planned electrification by ESKOM

Project Name	Project type	DoE TOTAL Planned CAPEX Excl 15% VAT 2020/2021	Transfer Amount (Excl 15% VAT)	Revised Amount Excl 15% VAT 2020/2021	TOTAL Planned Connections 2020/2021	Beneficiaries- Village names
Amahlubi 02	Households	R 3 900 000.00	R 5 061 931.00	R 8 961 931.00	264	Vuvu
Amahlubi 02 Link Line	Infrastructure - Line	R 2 360 000.00	-R 2 360 000.00	R 0.00		
Amahlubi 02 Pre-eng (2020/21 Plan)	Pre-Engineering	R 1 066 000.00	R 0.00	R 1 066 000.00		
Batlokoa 03	Households	R 2 400 000.00	-R 2 400 000.00	R 0.00	0	
Batlokoa 03 Link Line	Infrastructure - Line	R 1 180 000.00	R 0.00	R 1 180 000.00		
Batlokoa 02 SP	Households	R 7 500 000.00	R 2 098 069.00	R 9 598 069.00	390	Upper Tokwana
Batlokoa 02 SP Link Line	Infrastructure - Line	R 2 950 000.00	R 0.00	R 2 950 000.00		
Batlokoa 02 SP Pre-eng (2020/21 Plan)	Pre-Engineering	R 1 025 000.00	R 0.00	R 1 025 000.00		
Elundini Extensions	Households	R 4 800 000.00	-R 4 800 000.00	R 0.00	0	
Elundini Extensions Link Line	Infrastructure - Line	R 1 475 000.00	R 0.00	R 1 475 000.00		
ELUNDINI PH 4	Households	R 9 600 000.00	R 2 400 000.00	R 12 000 000.00	403	Chevy-Chase (236), Ketekete (164)
Elundini Ph 4 Link lines	Infrastructure - Line	R 2 065 000.00	R 0.00	R 2 065 000.00		
Batlokoa 03 SP Pre-eng (2020/21 Plan)	Pre-Engineering	R 246 000.00	R 0.00	R 246 000.00		
ELUNDINI PH 4 Pre-ng (2020/21 Plan)	Pre-Engineering	R 1 660 500.00	R 0.00	R 1 660 500.00		
Elundini Extensions Pre-eng (2021/22 Plan)	Pre-Engineering	R 1 141 000.00	R 0.00	R 1 141 000.00		
Elundini Schedule 5B	Pre-engineering	R 1 095 000.00	R 0.00	R 1 095 000.00		
Elundini Type 1 Infills	Infills	R 600 000.00	R 0.00	R 600 000.00	100	Various Wards within the municipality
		R 45 063 500.00		R 45 063 500.00		

Amahlubi 02 2020/2021 link line and Elundini Extensions 2020/2021 funds to be moved to the Amahlubi 02 2020/2021 households making the total cost of Amahlubi 02 2020/2021 households to be R 8 961 931. The transferred funds will be used to build infrastructure and connect 264 connections

2.22.4 Energy Efficiency and Demand Side Management

In an attempt to reduce energy consumption in municipal infrastructure, Elundini Local Municipality has secured an EEDSM grant from the Department of Energy and National Treasury through section 5(b) of the Division of Revenue Act (DORA) to measure and quantify the current energy consumption baseline and energy savings potential of the municipality. The measurement and quantification of energy consumption baseline are to be achieved through historical electricity bills, and the installation of smart meters, whilst energy savings will be achieved by the replacement of inefficient technologies with energy efficient technologies such as Light-emitting diode (LED) for buildings, public lighting and traffic signals; efficient Heating, Ventilation, and Air-Conditioning (HVAC) system; and efficient motors and variable speed drives for water services plants.

This project consists of two parts to be implemented simultaneously for the following towns: Maclear, Ugie and Mount Fletcher. The EEDSM project shall be implemented in three phases (pending allocations on the EEDSM Grant), namely:

- ✓ Replacements of High-Pressure Sodium and Induction Street lights with (Light Emitting Diode) LED lighting. The existing public lighting fittings varies from 40W to 1000W;
- ✓ Retrofitting of tubes and bulbs on the fluorescent lights and other fittings in the Municipal buildings namely (Offices, Libraries and Community Halls, etc). Most lightings in these buildings consists of various types ranging from 14WCFL to 150W mercury vapour fittings. The intention is to replace the bulbs and rewire the fittings to accommodate the new LED tubes/bulbs and fittings occupancy sensors in all offices. It is envisaged that in some cases T5 bulbs and fittings;
- ✓ Replacements of existing 46 High Mast each consisting of 6 x 1000w on 40m light fittings with a **MAXIMUM** 400W LED fittings. There are also a number of 9 x 400W fittings on 30m High Mast Lighting that need to be replaced with a **Maximum** of 200W LED fittings. (Please see tender for technical details of high mast fitting.

2.22.5 Solar Water Heater Geysers

The municipality has also approved the implementation of the Solar Water Heating Systems (Solar Geysers) for low income households in the following areas:

TOWNSHIP	NO OF BENEFICIARIES SUBMITTED
Bhekela	343
Takalane & Robben Island	370
Mandela Park	273
Ntokozweni	460
Old Location Ugie	255
Ugie Park	1 212
Vincent Park	270
Maclear	19
Ugie	2
Greenfields	410
Ntokozweni (Ugie)	460

TOWNSHIP	NO OF BENEFICIARIES SUBMITTED
Landcamp (Ugie)	382
Clearview (Maclear)	29
Soccerfield (Ugie)	74
Sithole Park (Maclear)	151
Sonwabile (Maclear)	542
Ugie Town	2
Mount Fletcher	284
JK Bokwe (Ugie)	72
TOTAL	5 610

Additional qualifying areas were identified and submitted to DMRE and the sample of 10% feasibility study was conducted. An estimated 160 SWH installers have been earmarked to be trained within the municipality.

2.22.6 Enrolment of Small Scale Embedded Generation (SSEG) Transition in Our Municipality

Due to increases in the price of electricity from the national grid and a steady decline in the price of decentralised generation options such as solar PV small-scale embedded generation (i.e. 'rooftop' type systems), decentralised generation sources such as SSEGs are becoming financially more attractive in South Africa. Increasingly such systems are being installed by businesses and residences. It is therefore important that approval procedures are established and standards are adhered to by municipal distributors to regularise this fast changing situation.

Considering these dynamics, municipalities are compelled to re-define their role in the electricity value chain and adapt their funding and operating models. The South African – German Energy Programme (SAGEN) in cooperation with the Department of Energy (DOE) and the South African Local Government Association (SALGA) is providing technical support to municipalities on aspects of this transition.

The Council for Scientific and Industrial Research (CSIR) and Sustainable Energy Africa NPC (SEA) are implementing partners on the SAGEN programme and are focusing on the safe integration of Small-Scale Embedded Generators (SSEG) into municipal infrastructure as well as the development of sustainable business models for municipal utilities. In this regard, our municipality has been granted support among other five municipalities in the Eastern Cape in this transition.

2.22.7 Support to Municipal Energy Management System

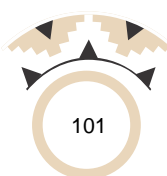
Since municipalities in South Africa differ widely in terms of their size, capacity and resources as well as their levels of awareness and implementation of energy efficiency measures. The project accommodated this by identifying three different "categories" of municipalities (Innovators – Aspirants – Beginners) and will implement different and adapted approaches of support suited to the needs of each. In this light, the South African-German Energy Programme (SAGEN) GIZ and its partners, the Department of Energy and South African Local Government Association (SALGA) is supporting selected municipalities to enable them to implement municipal energy management systems (MEMS) within the operational structures of the municipality, with the aim to reduce their own consumption of electricity. In this context, an energy management system refers to a structured process to identify energy cost centres, measure energy supply, identify opportunities for energy savings, plan energy saving interventions, implement interventions and measure and report impact. The Municipal Energy Management Systems (MEMS) programme offers intense Support for 4 – 6 municipalities in developing a MEMS. Elundini Municipality has been accepted for support in the MEMS implementation for the 2020/21 financial year.

2.23 Transportation

2.23.1 Freight transport

Being a rural municipality, freight transport is an important facility for the Elundini. The various businesses and institutions rely on freight transport services to import most of the food, products and goods needed for local consumption. The growing timber industry in the area places a significant burden on the road network and damage to the roads is evident on most routes. National government has developed a strategy around freight transportation through rail systems. A railway line exists within the municipality but is defunct.

A truck stop in Ugie, owned by PG Bison was completed in 2008 and is operational, creating a significant impact on freight transportation in the area. PG Bison has proposed a by-pass route from MR 723 to R56 via Maclear. There are problems that are brought about by the heavy duty trucks ferrying logs in particular between Maclear and Ugie towns resulting in excessive silt on surfaced streets and blocking storm water drainage system. In the process of negotiating a bypass around Maclear with PG Bison, there is a need for PG Bison to provide wheel washing bays for their trucks. ELM is also looking at the possibility of constructing a weigh bridge so that the money generated from it can be used back in repairing and upgrading our roads as they are being damaged by the heavy loads carried by the heavy trucks.



2.23.2 Public transport

Related to provision of public transport is the need for basic essential services such as water, sanitation and shelters at key facilities. There is a need to provide these services at all the nodes (rural and urban) as defined in the Spatial Development Plan. Areas with high dependency on public transport especially the primary and secondary nodes should receive priority. These are mostly remote rural of ELM. ELM currently has no vehicle testing station and a weigh bridge in place but there are plans in place for the construction of these two facilities. It must be noted that the municipality only provides for driving licensing for Code 8 and vehicle registration only on behalf of the Department of Transport.

There is no official taxi rank in Ugie but an informal taxi rank, on the main street is being used. This arrangement is not suitable for commuters and there are no shelters, however there are ablution facilities. There is a formal taxi rank in Maclear in Fourie Street. This taxi rank functions well as it has taxi / bus shelters and ablution facilities for commuters. The taxi rank is insufficient for all the taxis as taxis can be seen using other areas around town as informal taxi ranks. The ablution facilities in the Maclear taxi rank are not well maintained and need to be upgraded. There is a plan to close the storm water drain in the south eastern side of Fourie Street with a view to provide hawkers facilities.

The municipality has completed the construction of the Mount Fletcher Taxi Rank and is now embarking on the construction of the Mount Fletcher Vehicle Testing Station. The taxi rank facility provides for both modes of transport, taxis and busses and as well has facilities for hawkers through the construction of hawkers' stalls. The facility also has a management building for the operators of the taxis and the busses.

The following modes of public transport are prevalent in the Elundini Municipality:

- ✓ Long distance buses,
- ✓ Mini buses and taxis,
- ✓ LDV bakkies with canopies which also provide scholar transportation,
- ✓ Horseback,

Problems relating to public transportation include the following:

- ✓ Non availability of a local integrated transport plan. However the municipality is currently developing such a plan,
- ✓ Poor road conditions,
- ✓ Lack of designated public transport route,
- ✓ Lack of capacity at local authority levels to address public transport planning,
- ✓ Lack of sustainable and dedicated funding for public transport services, facilities and maintenance,
- ✓ Inadequate scholar, disabled and elderly transport,
- ✓ The illegal use of "bakkies" as public transport vehicles,
- ✓ Ageing of minibus-taxi vehicle fleets,
- ✓ Lack of public transport information,
- ✓ Public transport safety and security and,
- ✓ Lack of roadworthy testing station

2.23.3 Railway services

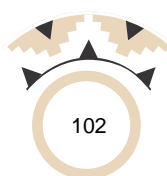
The weekly railway transport passenger services between Johannesburg and the Eastern Cape is only accessible at Burgersdorp to the West of the district and has very little impact on the rest of the area, especially Elundini, which is situated in the East of the district. The branch line which used to serve as a freight and passenger facility is no longer operational

2.23.4 Airfields

There are two airfields in the area, which comprise grassed surfaces without lighting for night use. The airfield at Maclear is 1790 meters in length and the airfield at Ugie is 1000 meters in length.

2.23.5 Non-motorised transportation

Mostly, pedestrians in the township walk to various destinations, few use bicycles. The municipality has also constructed sidewalks for use of bicycles.



2.24 Public Amenities

2.24.1 Sports and Recreation Facilities

The municipality has seen to the construction of TV Park Sport field which was officially handed over to the community. It is also in the process of completing Ugie Sport Field Phase 2 as well as the completion of Hopedale/Ngele Sport Field and Mt Fletcher Sport Field.

The sport fields comprise of a combined soccer/rugby field with irrigation system, synthetic running track, tennis court, netball/basketball combi-court, palisade fencing, flood lights, ticketing room, change rooms and ablution facilities. Engagements and interventions have since been made with Eskom but to date the power supply to the stadium has not been upgraded and energized. The sporting facilities are usually prone to vandalism after completion and a more community centred approach is being developed to ensure the efficient management of the sporting facilities.

The municipality plans on approaching the Department of Sport and Recreation for further funding opportunities on sporting facilities.

2.24.2 Community halls

From the table below, it shows that only 10 Wards in ELM have community halls and 7 wards do not have community halls. Some of the halls are either not accessible to the communities as there is no clear-cut policy of utilization or their accessibility is a challenge because of poor roads leading to them. Most rural communities are struggling as there are no halls within their areas of residence. In every community engagement with the Mayor the issues of the construction of community halls is always raised as a need in all the wards that do not have them. Two (2) community halls are still under construction at Ilisolomzi location in Ward 9 and at Lower Tsitsana Village in Ward 4. Most of the community halls in rural areas need some renovations.

The table below depicts the number of wards that have community halls and those that don't have community halls:

Table 42: Community halls

WARD No	NO OF HALLS	NAME OF VILLAGE(S)
01	1	Nkalweni
02	1	Ntokozweni
03	1	Sonwabile
04	1	Maclear Town
05	0	
06	0	
07	1	Botshabelo
08	0	
09	1	Mt Fletcher Town
10	0	
11	0	
12	1	Mangoloaneng
13	1	Moabatsane Village
14	0	
15	1	Bethania Village
16	0	
17	1	Ugie Municipal Hall

2.24.3 Cemeteries

Most of the cemeteries in the municipality are generally nearing maximum capacity and a cemetery management system is required to co-ordinate their effective use. Of critical urgency are the numerous informal cemeteries/grave yards which are being used in and around the informal settlements of the three towns. These burial places are not registered and are not compliant in terms of environmental and other legal

provisions such as EIA compliance. In Maclear, the only possible land for expansion is located on a vacant land owned by Public Works and used by the Magistrates Court. A new cemetery has been reserved on the outskirts of Maclear and this could accommodate 3000 graves. Unfortunately the community is currently refusing to utilize this new facility.

Generally the key challenge regarding cemeteries in the municipality is around communities being reluctant to use formally established cemeteries to avoid paying user charges. They instead resort to using informally established and unplanned cemeteries which must be closed down as a matter of urgency since this severely compromises the natural environment.

Recently an assessment report was developed for all sites that are being used for burial purposes to determine their suitability or otherwise. The report found among other things that most identified burial sites were informal and involved no technical investigations as required.

The municipality based on this has undertaken a process towards formalization of existing sites, closure of unsuitable sites as well as identification of new land for formal establishment of cemeteries in each town. This process will be undertaken in anticipation of the introduction of a electronic cemetery management system which is already procured.

2.24.4 Pounds for small and large animals

In terms of the powers and functions, pound management is the responsibility of the municipality. Supporting legislation includes the relevant Pound Ordinance which is still applicable as well as the municipal bylaw.

All three animal pounds are not in a good state and do not conform to common standards for animal keeping and care. The Maclear pound which has been located within municipal office premises has since been relocated to a suitable area on the outskirts of Maclear town.

Even the above is not ideal by any measure of standard and require much more extensive infrastructure development than currently exist. In this regard a business plan has been developed in order to assist with proper project budgeting in order effect the necessary facility improvements.

2.24.5 Parks and open spaces

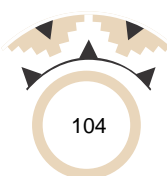
There are five (5) existing parks in ELM located in Ugie, Maclear and Mount Fletcher. Four of these parks were beautified. Caravan Park in Maclear was revamped and refurbished into an income-generating park for tourists. The refurbishment entailed the construction of swings, a braai area, tables and chairs, upgrading of electricity connections, building of walkways and installation of geysers and showers.

A lot, though, still needs to be done on the established parks in ensuring that they are well cared for and maintained. Upgrading of these which must include re-grassing, landscaping and fencing are matters which must receive priority attention. Installation of playground equipment as well as outdoor furniture within parks themselves and on pavements are features that have a potential of making our parks practical and user friendly spaces. There still is a challenge of providing secured ablution facilities on our parks to promote health and hygiene. Some of the parks like the one opposite the entrance to the municipal offices may need to be transformed into botanical gardens also in line with the “greenest concept” embraced as part of the municipality’s strategic goals. A Public Amenities Maintenance and Management Plan has been developed and approved by council and is being implemented.

2.24.6 Library and Information Services

Libraries are a function of the district sphere of government currently performed by the municipality on an agency basis. To give effect to this arrangement a Service Level Agreement has recently been signed with the district municipality who have committed to funding the services by way of a subsidy to the amount of R1,2m. All three towns operate library facilities through seconded professional librarians assisted by staff appointed by the municipality. Some of the challenges regarding libraries include:

- ✓ Lack of access to internet services (in some libraries)
- ✓ Space constraints (no discussion rooms, offices etc.)
- ✓ Lack of dedicated maintenance plans



- ✓ Adequate funding
- ✓ Non-existence of a Memorandum of Agreement

Notwithstanding the above the municipality has made provision during adjustment budget to cater for roll out of internet connection to all the libraries. This improvement will include replacement and fitment air conditioning equipment. It is expected that these improvements will make libraries more user friendly.

2.25 Community Safety and Security

The fight against crime remains a challenge in the municipality and this is exacerbated by a very few number of police stations found in our area. Even those that are available, accessing them still remain a challenge because of poor road infrastructure and poor telecommunication. There is a Community Safety Forum chaired by Political Head responsible for Community Safety which sits quarterly. There are only eight (8) police stations in Elundini as indicated by the table below:

Table 293: Ward with police stations

POLICE STATION/COMMUNITY SERVICE CENTRE	AREA
Ugie	Ward 2
Maclear	Ward 3
Elands' Height	Ward 4
Katkop	Ward 7
Mbizeni	Ward 8
Mt. Fletcher	Ward 9
Tabase	Ward 13
Zamuxolo	Ward 14

The municipality maintains services of traffic officials to administer its two Driver Learner Testing Centers located in Maclear and Mt Fletcher (DLTCs). A Vehicle Testing Station has been planned for Mt Fletcher with conceptual drawings and plans already completed. The employment of Law Enforcement Officers has somehow eased the challenge on the implementation of by-laws although the unit is still receiving attention in terms of more law enforcement staff being employed. Four (4) newly appointed Law Enforcement Officers are in the field with two (2) more expected to be employed before end of current financial year.

2.26 Primary Health Care and Municipal Services

In terms of the powers and functions, Environmental Health Services is a function of the District Municipality while Primary Health Care services have been provincialized. ELM responsibilities with regard to MHS are in the area of issuing of business licenses to food handling premises as well as registration of general dealers, control of nuisances, overgrown erven, enforcement of related bylaws and National regulations as well as other issues which may affect public health

2.26.1 Health Facilities

Since the outbreak of Covid-19, an additional of 500 beds have been made available at Taylor Bequest Hospital in Mt Fletcher to be able to cater for sick people infected with the virus and the Maclear Hospital is also being renovated for this purpose. The ELM is characterized by a lack of access to health facilities as evident by the number of health facilities found in our area. The ELM has only two (2) hospitals and twenty one (21) clinics and four (4) mobile clinics in its area of jurisdiction. Areas that are normally serviced by the mobile clinics are usually those that are hard to reach areas due to either population size and mostly due to poor access roads. The Presidential Project of ideal clinics has been started in three (3) clinics of Maclear Town, Queen Noti and Taylor Bequest who will be functioning for 24 hours. The Emergency Medical Services are also found in Maclear, Ugie and Mt Fletcher. The two tables below depict the number of health facilities found in Elundini:

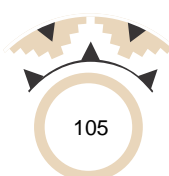


Table 304: PHC Facilities per Sub-District

Sub-Districts	Mobiles	Satellites	Clinics
Elundini Sub District	4	0	21
Maletswai Sub District	5	2	11
Senqu Sub District	8	2	20
District total	17	4	52

Source: DHIS Pivot tables

The table below as depicts the location of clinics in Elundini:

Table 315: Location of clinics

Name	Ward No.	Type of Facility	Name	Ward No.	Type of Facility
Empilisweni Clinic (Old location Ugie)	02	Clinic	Khungisizwe (Upper Nxaxa)	07	Clinic
Ngxaza Clinic	05	Clinic	Seqhobong Clinic	13	Clinic
Hlangalane Clinic (Ramatee)	07	Clinic	Sonwabile Clinic	03	Clinic
Hlankomo Clinic	16	Clinic	St. Augustine's Clinic	05	Clinic
Katkop Clinic	07	Clinic	Taylor Bequest Hospital	09	District Hospital
Maclear Town Clinic	03	Clinic	Taylor Bequest (Solomzi)	09	Clinic
Maclear Hospital	03	Hospital	Ugie Town Clinic	02	Clinic
Mangoloaneng Clinic	12	Clinic	Ulundi Clinic	14	Clinic
Bethania Clinic	15	Clinic	Umnga Flats Clinic	01	Clinic
Mqokolweni Clinic	06	Clinic	Ncembu Clinic	01	Clinic
Queen Noti Clinic	06	Clinic	Gqaqhala Clinic	17	Clinic
Lower Tsitsana	04	Clinic			

A large number of people in Elundini remain without access to healthcare as there is no mobile service in the Mount Fletcher and the Ugie mobile service is not in operation. In the areas where the mobile clinic is operational, the poor conditions of the roads make it impossible to access some communities. Maclear has 131 mobile visiting points, but only frequents 120 because of the bad road conditions. There are on-going District Health Council (DHC) meetings which are held monthly in order to discuss plans to roll out primary health care facilities for better and equitable access. Possible extensions to the Ugie Clinic with a view to transforming it into a 24 hour facility/health center are as reportedly being considered by the provincial Government. It is too expensive for all of the communities to access the fixed health facilities in town. This means that they can't attend preventive services such as immunization for children and family planning.

The plan overleaf indicates the spatial location of community facilities in the form of clinics, hospitals, police stations and schools in the Elundini Municipality. Challenges that characterize the functioning of some health facilities in Elundini include, but not limited to, the following:

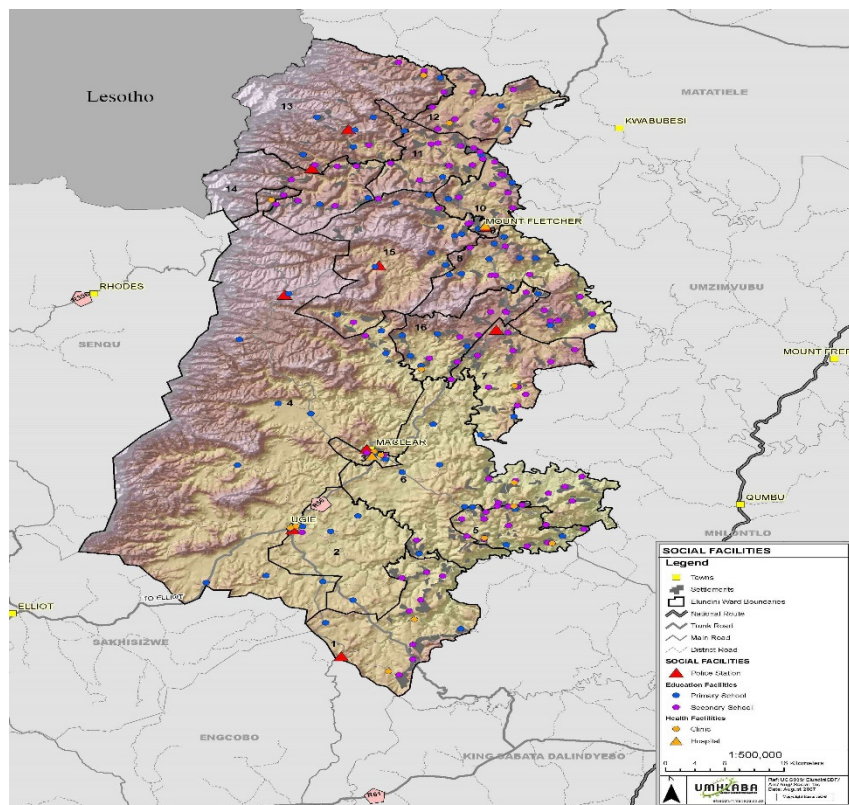
- ✓ Shortage of staff
- ✓ Lack of running water;
- ✓ Lack of telecommunications;
- ✓ Poor access roads;
- ✓ Lack of electricity;
- ✓ Continuous overflowing of sewerage ponds in clinics around Mt Fletcher;

2.26.2 Priority Health Promotion

The priority programs are HIV and AIDS, TB and mother and child services. There are community based initiatives aimed at prevention of disease and promotion of healthy lifestyles. The district area is implementing the 5 priority health promotion campaigns of nutrition, substance abuse, tobacco, use of healthy environments and risks. In addressing the HIV/AIDS, the ELM has developed HIV/AIDS Strategy which was adopted by Council. In as far as implementation of the plan, the Local Aids Council has been established and launched. It is constituted by role players from different sectors of community including, Health, Business,

other Govt. Dept., Community workers and HIV/AIDS activists/groups. The ward based HIV/ AIDS forums have also been establish across 16 wards in ELM. The HIV/AIDS program in Elundini is politically championed by Portfolio Head Community Services and administratively executed in the Office of the Municipal Manager.

MAP OF SOCIAL FACILITIES



2.26.3 Social Determinants of Health

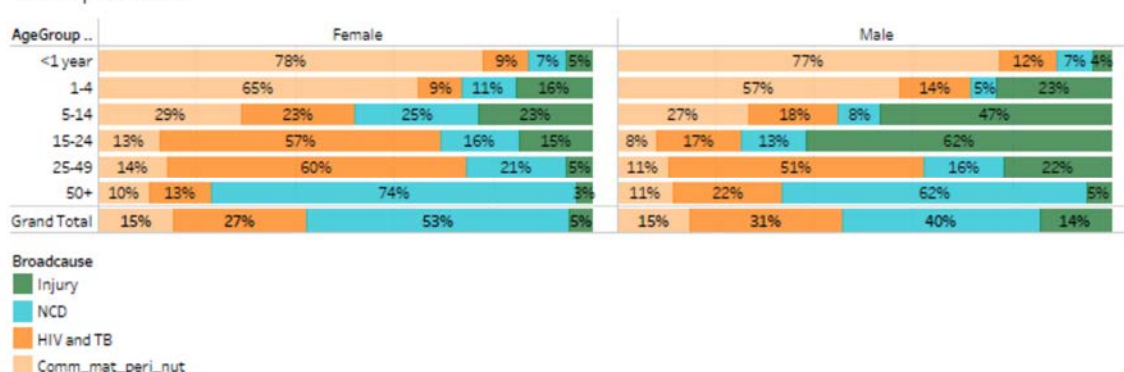
			Country ZA	Province EC	District DC14
			South Africa	Eastern Cape	Joe Gqabi DM
1	Percentage of female headed households (%)	2016	41.3	49.1	46.9
	Percentage of population 20 years and older with no schooling (%)	2016	7.1	8.1	8.1
	Percentage without higher education (%)	2016	92.2	91.7	94.2
	Percentage without matric (%)	2016	56.3	54.9	80.5
	Unemployment rate (%)	2011	29.8	37.4	35.4
	Youth unemployment rate (15-34 years) (%)	2011	38.4	47.3	43.3
2	Formal dwellings (%)	2016	79.2	65.1	69.6
	Percentage of households using electricity for lighting (%)	2016	90.3	85.4	80.2
3	Drinking Water System (Blue Drop) Performance Rating (%)	2014	79.6	72	75
	Percentage of households with flush toilet connected to sewerage (%)	2016	60.6	46.8	34.1
	Percentage of households with piped water inside dwellings (%)	2016	44.4	33.4	19.2
	Percentage of households with weekly refuse removal (%)	2016	61	41.3	34.1

Performance
 Worst 10 DM
 Other

Source: Stats SA (Local Government Handbook)

2.26.4 Burden of disease – Leading causes of death in the District

Joe Gqabi: DC14



2.26.5 Child Health Care

				Country	Province	District	LM2016		
				ZA	EC	DC14	EC141	EC142	EC145
				South Africa	Eastern Cape	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Early neonatal death in facility rate (per1K)	Impact	2018/19	DE Ind	9.8	10.3	9	9.1	8	10.4
Neonatal death in facility rate (per1K)	Impact	2018/19	DE Ind	12.1	12.5	10.5	9.1	9.7	13.6
Death in facility 0-7 days (No)		2018/19	DE Ind	9 431	1 080	43	16	14	13
Death in facility 8-28 days (No)		2018/19	DE Ind	2 212	231	7	0	3	4
Live birth in facility (No)		2018/19	DE Ind	959 720	104 655	4 758	1 761	1 746	1 251
Death in facility under 1 year rate (%)	Impact	2018/19	DE Ind	7.5	6.7	9.4	13.9	7.7	9.1
Death in facility under 1 year (No)		2018/19	DE Ind	14 841	1 860	79	23	31	25
Death in facility under 5 years rate (%)	Impact	2018/19	DE Ind	4.8	5.1	5.9	8.8	5.2	5.1
Death in facility under 5 years (No)		2018/19	DE Ind	16 844	2 154	91	29	37	25
Diarrhoea case fatality under 5 years rate (%)	Impact	2018/19	DE Ind	1.9	3	1.9	5.1	0.77	0.98
Diarrhoea death under 5 years (No)		2018/19	DE Ind	679	127	6	4	1	1
Diarrhoea separation under 5 years (No)		2018/19	DE Ind	36 009	4 196	311	79	130	102
Pneumonia case fatality under 5 years rate (%)	Impact	2018/19	DE Ind	1.9	3.2	3.2	5.6	3.2	0
Pneumonia death under 5 years (No)		2018/19	DE Ind	962	147	6	4	2	0
Pneumonia separation under 5 years (No)		2018/19	DE Ind	50 212	4 564	185	72	62	51
Severe acute malnutrition case fatality under 5 years rate ..	Impact	2018/19	DE Ind	7.1	8.9	6.8	4	11.1	2.6
Severe acute malnutrition death under 5 years (No)		2018/19	DE Ind	806	131	8	1	6	1
Severe acute malnutrition inpatient under 5 years (No)		2018/19	DE Ind	11 280	1 464	117	25	54	38
Infant PCR test positive around 10 weeks rate (%)	Outcome	2018/19	DE Ind	0.74	1	1	0.62	1.7	0.43
Infant PCR test positive around 10 weeks (No)		2018/19	DE Ind	1 371	218	10	2	7	1
Infant PCR test around 10 weeks (No)		2018/19	DE Ind	185 318	21 343	974	324	415	235
Immunisation under 1 year coverage (%)	Output	2018/19	DE Ind	81.9	71.9	64	64.8	68.4	56.4
Immunised fully under 1 year new (No)		2018/19	DE Ind	944 650	117 114	5 263	1 926	2 157	1 180
Infant exclusively breastfed at DTaP-IPV-Hib-HBV 3rd dose...	Output	2018/19	DE Ind	49.5	50	38.6	37.1	37	43.5
Infant exclusively breastfed at DTaP-IPV-Hib-HBV (Hexaval..		2018/19	DE Ind	477 984	55 911	2 022	701	764	557
DTaP-IPV-Hib-HBV (Hexavalent) 3rd dose (No)		2018/19	DE Ind	966 387	111 861	5 236	1 891	2 065	1 280
Measles 2nd dose coverage (%)	Output	2018/19	DE Ind	76.5	65.1	59.4	58.7	60.4	58.5
Measles 2nd dose (No)		2018/19	DE Ind	890 235	107 475	4 951	1 767	1 936	1 248
Vitamin A dose 12-59 months coverage (%)	Output	2018/19	DE Ind	56.6	55.4	49.6	49.4	47.8	52.1
Vitamin A dose 12-59 months (No)		2018/19	DE Ind	5 319 196	740 339	33 417	12 055	12 419	8 943

Value highlighted in green – performance is ranked among the 10 best in the country

Value highlighted in red – performance is ranked among the 10 worst in the country

Value highlighted in orange – performance of the sub-district is possibly below the performance of the district.

2.26.6 HIV

			Country ZA South Africa	Province EC Eastern Cape	District DC14 Joe Gqabi DM	EC141 Elundini LM	LM2016 EC142 Senqu LM	EC145 Walter Sisulu LM
Adult ART cumulative started ART minus ART cumulative TFO (No)	DE	2017	3 637 602	388 998	22 057			
		2018	3 975 549	425 688	23 935			
Adult with viral load suppressed rate 12 months (%)	3rd 90 Outcome	Ind	2017	86.7	79.8			
		2018	90.6	86.2	81.5			
Adult living with HIV viral load suppressed (VLS) 12m (No)	DE	2018 Q1	2 749 656	267 948	13 072			
		2019 Q1	2 952 213	284 933	15 617			
ART Adult client viral load done (VLD) (No)	DE	2017	80 507	7 279	338	156	117	65
		2018	95 028	8 442	421	194	149	78
Child with viral load suppressed rate 12 months (%)	3rd 90 Outcome	Ind	2017	63.5	62.4			
		2018	68	63	44.8			
Child living with HIV viral load suppressed (VLS) 12m (No)	DE	2018 Q1	80 148	8 975	377			
		2019 Q1	67 400	7 110	337			
Adult with viral load completion rate at 12 months (%)	2nd 90 Output	Ind	2017	65.8	53.5	66.7	44.2	48.9
		2018	71.7	62.4	60.8	73.2	53.6	52.3
ART Adult first-line regimen (FLR) + second-line regimen (SLR) at 12 months (No)	DE	2017	122 168	12 437	630	234	263	133
		2018	108 851	11 602	468	188	185	95
Clients remaining on ART rate (%)	2nd 90 ..	Ind	Mar 2019	65.1	62.9			
Total Clients remaining on ART at the end of the month (No)	DE	Mar 2018	4 189 070	452 072	25 238	9 329	9 707	6 202
		Mar 2019	4 629 831	493 879	27 035	10 033	10 708	6 294
Total living with HIV (No)	DE	2018 Q1	6 966 276	770 705	42 640			
		2019 Q1	7 109 877	785 264	41 080			
HIV test positive 19 months to 14 years rate (%)	1st 90 ..	Ind	2018/19	1.6	1.2	1.3	2	3.9
HIV test positive client 19 months to 14 years (No)	DE	2018/19	15 369	1 552	61	22	21	18
HIV test client 19 months to 14 years (No)	DE	2018/19	936 115	128 898	3 272	1 757	1 056	459
HIV test positive client 15 years and older rate (incl ANC) .. 1st 90 ..	Ind	2018/19	6.1	5.3	6.5	5.9	7.5	6.4
HIV test positive 15 years and older (excl ANC) (No)	DE	2018/19	725 581	79 217	2 905	1 214	1 135	556
Antenatal client HIV 1st test positive (No)	DE	2018/19	89 554	10 080	516	189	219	108
HIV test 15 years and older (excl ANC) (No)	DE	2018/19	11 858 516	1 491 093	44 407	20 452	15 208	8 747
Antenatal client HIV 1st test (No)	DE	2018/19	855 680	86 619	4 314	1 484	1 764	1 066
HIV testing coverage 19 months to 14 years rate (%)	1st 90 ..	Ind	2018/19	3.4	3.8	3.2	3.7	2.9
HIV testing coverage age 19 months and older (%)	1st 90 ..	Ind	2018/19	48.1	49.7	49.8	49.2	50
HIV test client age 19 months and older (No)	DE	2018/19	13 650 311	1 706 610	51 993	23 693	18 028	10 272
Male condom distribution coverage (No)	1st 90 ..	Ind	2018/19	36.8	33.3	42.1	51.9	33.6
Male condoms distributed (No)	DE	2018/19	726 202 616	73 672 416	4 788 000	2 286 000	1 392 000	1 110 000
Medical male circumcision rate (per1K)	1st 90 ..	Ind	2018/19	26.4	4.3	7.4	3.5	12.1
Medical male circumcision 10 years and older (No)	DE	2018/19	595 006	11 396	994	184	588	222
Adult ART Total (No)	DE	2017	3 677 996	393 817	22 313			
		2018	4 032 106	432 133	24 247			
Adult Cumulative Loss to Follow-up (LTF) (No)	DE	2017	28 933	2 997	167	68	56	43
		2018	41 608	4 334	212	87	62	63
Adult Cumulative Transferred out (TFO) (No)	DE	2017	9 128	1 432	59	25	25	9
		2018	12 693	1 777	68	27	35	6
Adult Died (RIP) (No)	DE	2017	2 333	390	30	11	12	7
		2018	2 256	334	32	9	14	9
Child ART Total (No)	DE	2017	166 588	20 323	1 004			
		2018	164 196	19 939	991			

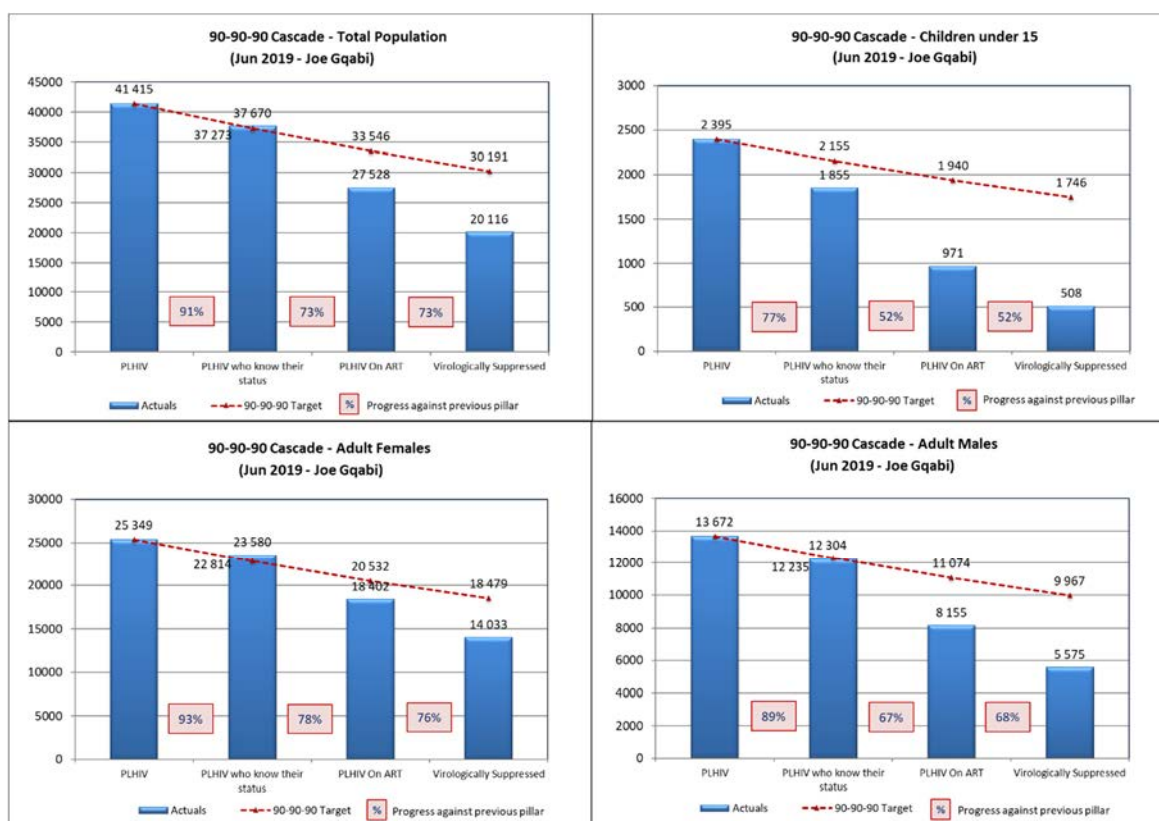
Source: DHIS

Value highlighted in green – performance is ranked among the 10 best in the country

Value highlighted in Red – performance is ranked among the 10 worst in the country

Value highlighted in Orange – performance of the sub-district is possibly below the performance of the district.





ELM established partnerships with Home Community Based Care Centres (HCBCs) as the main strategy to fight the scourge of HIV and AIDS within ELM. Through this partnership ELM currently supports 16 HCBCs financially and the partnership is renewed annually. The following are the deliverables for HCBCs:

- Education and awareness through door to doors, mobilization of communities to big venues and reaching out to areas where people had gathered themselves.
- Provision of care and support for orphans and vulnerable children
- Make referrals to relevant institutions like clinics, hospitals and government departments
- Create support system for people infected and affected

Joe Gqabi is currently at 91-73-73 in terms of performance against 90-90-90 across its total population. The District is ranked 3rd out of the 8 districts in the province against 90-90-90. Results for each of the sub-populations vary, with adult females at 93-78-76, adult males at 89-67-68, and children at 77-52-52. For adult males and females, focus must be placed not only on initiation onto ART, but also on ensuring that clients are retained in care. There is a growing number of adults who have been previously diagnosed, but are not on ART. This includes those who had started ART and defaulted, as well as those who were never initiated. The results do show, that for women who remain on ART, suppression rates are higher. There are gaps across the cascade for children under 15 years. Case finding, ART initiation and retention have all underperformed and should be addressed through focused interventions. To achieve 90-90-90 targets, the district must increase the number of adult men on ART by 2019, the number of adult women on ART by 2131, and the number of children on ART, by 969, by December 2020.

2.26.7 TB

				Country ZA South Africa	Province EC Eastern Cape	District DC14 Joe Gqabi DM
TB DS death rate (%)	Impact	DE Ind	2017	6.5	6.2	8
DS TB patients who died (No)		DE Ind	2017	16 133	2 674	156
All DS TB patients in cohort (No)		DE Ind	2018	225 553	40 401	1 777
TB DS client lost to follow up rate (%)	Outcome	DE Ind	2017	8	7.8	6.5
DS TB patients who were lost to follow up (No)		DE Ind	2017	19 761	3 386	126
TB DS treatment success rate (%)	Outcome	DE Ind	2017	76.3	77.1	75.2
DS TB patients who completed treatment or were cured ..		DE Ind	2017	188 352	33 351	1 461
TB MDR client death rate (%)	long regimen Impact	DE Ind	2016	20.8	26	35.4
	short regimen Impact	DE Ind	2017	17.3	21.3	21.7
TB MDR client loss to follow up rate (%)	long regimen Outcome	DE Ind	2016	19.6	16.8	10.4
	short regimen Outcome	DE Ind	2017	14.6	11.1	0
TB MDR treatment success rate (%)	long regimen Outcome	DE Ind	2016	53.9	50.5	37.5
	short regimen Outcome	DE Ind	2017	49.6	48.5	50
TB XDR client death rate (%)	long regimen Impact	DE Ind	2016	21.3	27	
	short regimen Impact	DE Ind	2017	20.7	27.9	0
TB XDR client loss to follow up rate (%)	long regimen Outcome	DE Ind	2016	11.3	4.4	
	short regimen Outcome	DE Ind	2017	7.7	4.1	0
TB XDR treatment success rate (%)	long regimen Outcome	DE Ind	2016	58.1	58.9	
	short regimen Outcome	DE Ind	2017	31.3	30.3	0
TB symptom 5 years and older screened in facility rate (..	Process ..	DE Ind	2018/19	83.7	79.1	86.9
Screen for TB symptoms 5 years and older (No)		DE Ind	2018/19	82 929 115	11 122 458	589 988
PHC headcount 5 years and older (No)		DE Ind	2018/19	99 082 287	14 060 982	679 315
TB symptom child under 5 years screened in facility rate ..	Process ..	DE Ind	2018/19	81.7	74.7	86.3
Screen for TB symptoms under 5 years (No)		DE Ind	2018/19	16 547 063	1 900 344	105 239
PHC headcount under 5 years (No)		DE Ind	2018/19	20 264 739	2 544 587	121 965
TB/HIV co-infected client on ART rate (ETR.Net) (%)	Outcome	DE Ind	2017	89.1	96.8	96.6
		DE Ind	2018	86.6	94.1	87.3
HIV-positive TB cases who are on ART (No)		DE Ind	2018	108 481	18 334	840
HIV-positive TB cases (No)		DE Ind	2018	125 222	19 490	962
All MDR TB patients in cohort (No)	long regimen	DE Ind	2016	11 203	1 936	48
	short regimen	DE Ind	2017	10 308	1 803	60
MDR TB patients who completed treatment or were cured (No)	long regimen	DE Ind	2016	6 040	978	17
	short regimen	DE Ind	2017	5 115	874	30

Source: DHIS, TIER.Net, EDRWeb

Value highlighted in **green** – performance is ranked among the 10 best in the country

Value highlighted in **Red** – performance is ranked among the 10 worst in the country

Value highlighted in **Orange** – performance of the sub-district is possibly below the performance of the district.

2.26.8 Non – communicable Diseases

				Country	Province	District	LM2016		
				ZA	EC	DC14	EC141	EC142	EC145
				South Africa	Eastern Cape	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Clients 40 years and older screened for diabetes (No)	Process ...	DE	2018/19	6 070 577	2 491 684	187 713	58 196	99 633	29 884
Clients 40 years and older screened for hypertension (No)	Process ...	DE	2018/19	5 800 824	1 972 192	117 109	40 686	56 879	19 544
Diabetes new client 40 years and older detection rate (%)	Process ...	DE	2018/19	0.87	1	1	0.84	0.44	2.4
Diabetes client 40 years and older new (No)		DE	2018/19	136 931	16 430	723	233	117	373

Source: DHIS.

Value highlighted in **green** – performance is ranked among the 10 best in the country

Value highlighted in **Red** – performance is ranked among the 10 worst in the country

Value highlighted in **Orange** – performance of the sub-district is possibly below the performance of the district.



2.26.9 Quality of Care

In-facility mortality:

Local Municipality	Facility type	Facility	Death in facility 0-7 days	Death in facility 29 days - 11 months	Death in facility 8-28 days	Delivery by Caesarean section	Delivery in facility - total	Inpatient discharge under 5 years	Inpatient transfer out under 5 years	Maternal death in facility	Live birth in facility	Still birth in facility	Total births
Elundini	District Hospital	Maclear Hospital	1	4	0	0	476	89	4	0	476	4	480
		Taylor Bequest Hospital (Elundini)	15	3	0	300	1 282	188	18	0	1 285	19	1 304
	Total	16	7	0	300	1 758	277	22	0	1 761	23	1 784	
Senqu	District Hospital	Cloete Joubert (Barkly East) Hospital	1	2	1	4	217	223	21	0	216	5	221
		Empilsweni Hospital	10	12	2	96	1 199	263	29	2	1 219	9	1 228
		Lady Grey Hospital	1	0	0	0	178	99	8	0	173	6	179
		Umlamli Hospital	2	0	0	0	141	29	2	0	138	3	141
		14	14	3	100	1 735	614	60	2	1 746	23	1 769	
Walter Sisulu	District Hospital	Aliwal North Hospital	10	4	3	117	722	195	12	1	717	8	725
		Burgersdorp Hospital	2	3	1	72	351	198	6	0	345	9	354
		Jamestown Hospital	1	0	0	0	54	1	0	0	52	2	54
		St Francis Hospital	0	0	0	0	0	0	0	0	0	0	0
		Steynsburg Hospital	0	1	0	0	134	48	6	0	137	0	137
Joe Gqabi	Total		13	8	4	189	1 261	442	24	1	1 251	19	1 270
			43	29	7	589	4 754	1 333	106	3	4 758	65	4 823

Target group: Maternal, Perinatal, Neonatal and U5 Child (Post-neonatal) (repeat the table for each target group to prepare 4 tables for the hospital with the highest number of deaths)

2.26.10 Quality of Service Delivery Platform

		Country	Province	District
		ZA	EC	DC14
		South Africa	Eastern Cape	Joe Gqabi DM
Percentage Ideal clinics (%)	2018/19	55.4	32.4	46.2

Source: Ideal Clinic database

2.26.11 Top 5 worst performing VITAL ideal clinic elements in PHC facilities

	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Emergency trolley is restored daily or after each use	48	57	40	45
Resuscitation room is equipped with functional, basic resuscitation equipment	52	62	55	27
90% of the medicines on the tracer medicine list are available	79	76	70	100
The temperature of the medicine room/dispensary is maintained within the safety range	87	76	95	91
Oxygen cylinder with pressure gauge is available in resuscitation/ emergency room	92	100	85	91

Source: Ideal Clinic database

2.26.12 Top 10 worst performing ideal clinic elements in PHC

	Joe Gqabi DM	Elundini LM	Senqu LM	Walter Sisulu LM
Staff appointed is inline with WISN	0	0	0	0
Disinfectant, cleaning materials and equipment are available	2	5	0	0
Facility has a dedicated budget	6	10	5	0
There is a functional clinic committee	8	0	15	9
There is an official memorandum of understanding between the PDOH and SAPS	8	10	5	9
There is an official memorandum of understanding between the PDOH and the Department of Social Development	8	10	0	18
There is an official memorandum of understanding between the PDOH and Department of Education	10	5	10	18
There is a standard security guard room OR the facility has an alarm system linked to armed response	12	5	10	27
Quality Improvements plans are signed off by the facility manager and updated quarterly	13	0	30	9
Building(s) complies with safety regulations	13	0	30	9

Source: Ideal Clinic database



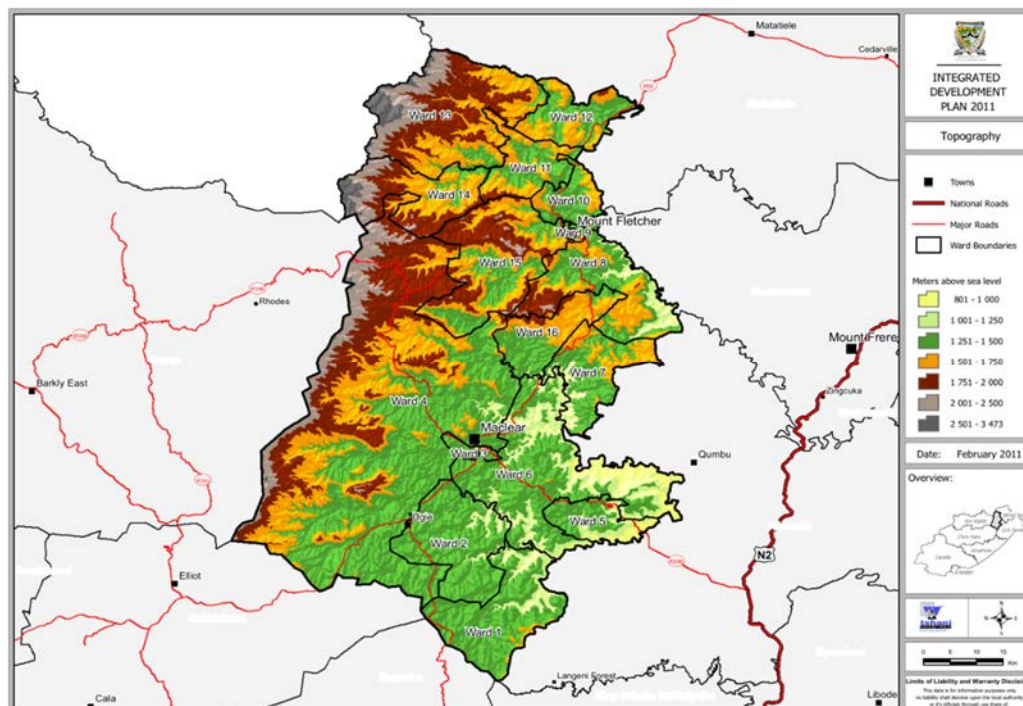
2.26.13 Emergency Medical Services (EMS) and Patient Transport (PTV)

Area	Ambulance station	Total Number of ambulances	Number of operational ambulances	Number of ambulance not operational	Number of PTVs	Number of rescue vehicles
Elundini	2	14	10	3	5	1
Senqu	3	15	8	7	6 (1 bus is faulty)	1
Walter Sisulu	5	15	10	5	9	2

2.27 Natural Environment

2.27.1 Topography and Hydrology

The municipal area has a distinctive topographical character with mountain ranges along the western side overlooking a central plateau, giving way to an escarpment sloping down towards the eastern side and the lower reaches of the Tsolo and Mthatha regions. Much of Elundini has slopes steeper than 1:8 as it forms part of the southern Drakensberg range. This area located along the north and western side of the municipality, due to its high altitude, is unsuitable for arable farming. The mountainous terrain also limits accessibility and therefore hampers service and infrastructure delivery in the region. The Southern Drakensberg creates a scenic environment conducive to adventure and eco- tourism activities such as mountain biking, hiking, skiing etc. The mountains form a watershed which separates the eastern and western parts of the Joe Gqabi District. Map



Showing Elevation and Topography

Topography influences the type of land use activities that occur, the nature and extent of settlement development and the type of agricultural activities, which are viable. Agriculture is accordingly limited to specific land pockets in the central, southern and eastern portions where the topography, water and soils are very suitable for agriculture and residential uses. The nature of slopes found within the municipality contributes to the high rate of erosion.

2.27.2 Climate and Rainfall**2.27.2.1 Temperature**

The region is well known for its temperature fluctuations with temperatures ranging between 42°C and 11°C. On average there are 150 days of frost during the year, usually between March and November. During the winter season, areas affected mostly by snowfall are Maclear stretching to the higher lying areas of Mt Fletcher and temperatures are recorded to reach an average of -5°C.

2.27.2.2 Rainfall

The higher mountain peaks in Elundini have between 800mm – 1200mm rain per annum. Mount Fletcher which is within the municipality falls within the wettest rainfall region. The rest of the area receives an average of 600-800mm per annum.

2.27.2.3 Predominant wind

The area is vulnerable to strong winds which are coming from a westerly direction. They are mostly travelling at an average speed of 60 km/h and are very damaging to property and the environment. Coupled to damaging winds, is an observed increase of thunderstorms, lightning and hailstorms. Winds which are associated with light rain are coming from the easterly direction.

2.27.2.4 Climate change

Climate change is affecting Elundini as the drier climate in the west moves towards the central portions of the province, wetter, higher rainfall and more frequent storms affect the eastern regions. The mountainous character of the region also has a bearing on the effects of climate change over time. The drier regions will experience loss of biomes and find water resources under increased pressure over time.

The eastern regions are expected to experience increased rainfall. This is already being seen Elundini in the form of increased storm activity resulting in disasters affecting settlements, roads and bridges, buildings, crops and livelihoods. Flooding, high winds and hailstorms are increasing in severity. Higher rainfall is also affecting the incidence of pests in the agricultural sector.

Higher temperatures as a result of global warming could affect the growing characteristics of trees to the extent that certain species may no longer be viable for the forest industry in the area. If this occurs, there may be impact on the forestry sector and the municipal economy.

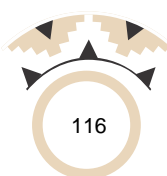
2.27.3 Hydrology

ELM is dissected by rivers like Tsitsa, Thina, Luzi. Within the municipality there are boreholes as well as springs. River sources within the municipality drain its water from Umzimvubu catchment area. Rivers flow eastwards draining towards the Indian Ocean. Water studies conducted for the district indicate that ELM. Elundini has very high groundwater development potential. Mooi River, Inxu River (Wilbeesrivier) and the Pot River are the main tributaries of Tsitsa River. The Maclear Dam on the Inxu River supplies water to Maclear town and the Ugie Dam on the Mooi supplies water to Ugie town. This municipality forms the catchment for the Umzimvubu River, which bisects the region and supplies large volumes of water down to the Indian Ocean.

2.27.3.1 Tsitsa River Basin Land Use and Environmental Management Plan

The Tsitsa River Basin Land Use and Environmental Management Plan were commissioned by ASGI-SA Eastern Cape, Elundini and Mhlontlo Municipalities to investigate possible development opportunities in the Tsitsa River basin area. The study was in response to a need for commercial land use developments in the catchment area that could assist in alleviating poverty in communal areas. The first phase of the study was to undertake a Situation Assessment of the whole catchment that could be used to inform the planning process.

As part of this situation assessment, a number of potential land use development options suitable to the area were identified. The completion of the Situation Analysis was then followed by a more detailed land use planning process for a part of the Tsitsa River Catchment referred to as the focus area. This area was located in the middle of the catchment in the poverty stricken communal areas along the banks of the Tsitsa River and



included 15 specific villages and eight Administrative Areas. A Land Use Planning Report was the final outcome of the study.

The study analyzed the status quo within administrative areas within Mhlontlo and Elundini that fell within the focus area. In Elundini these included Mqokolweni, Qurana and Sinxako all falling within Ward 6. The study considered the impact of the development of a dam, which would inundate 2,293ha of land with water. Mqokolweni and Sinxako are both areas that would lose land if a dam was constructed. The study looked at the possibility of interventions in these areas and the priority assigned to them by community representatives, these interventions included Forestry development.

2.27.4 Geology and Soils

ELM is the only area with soils suitable for cultivation in the JGDM, however, degradation is high in the communal land areas of Elundini with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The provision of infrastructure to enable the practice of controlled grazing is necessary to prioritize the rehabilitation of severely degraded areas.

2.27.4.1 Erosion

Degradation is high in the communal land areas of Elundini, with the primary cause found to be the overstocking of livestock and inappropriate grazing methods. The Department of Agriculture estimates that between 300 and 400 tons per hectare of soil are lost annually in the District, ELM being the highest eroded region. In addition to the provision of infrastructure to enable the practice of controlled grazing, the EMP recommends it is necessary to prioritize the rehabilitation of severely degraded areas. The district municipality has various land rehabilitation programs that it implements in the municipality to address land degradation

2.27.5 Biodiversity

2.27.5.1 Vegetation and land cover

Vegetation types represent an integration of the climate, soils and biological factors in a region and as such are a useful basis for land use and conservation planning. Unimproved Grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by Degraded Unimproved Grassland (22.70%) and Semi- Commercial or Subsistence Dryland Cultivation (10.56%). The State of the Eastern Cape Province Report (2010) highlights the serious impact of settlement sprawl that is taking place throughout most rural areas, with an increase of 47% in the cover of built up areas compared to the year 2000. Coupled with this sprawl of settlements, is the depletion of resource areas by an estimated 33% and this is expected to have a serious effect on future sustainability of rural communities.

2.27.5.2 Critical bio-diversity areas

The Eastern Cape Bio-diversity Plan has analyzed the characteristics of the various environmental attributes throughout all municipalities. The critical bio-diversity areas in Elundini have been identified (refer to map below) and these need to be conserved for the benefit of future generations and preservation of the ecological balance in the area. These are primarily associated with the environmental sensitivity of the mountain range and foothills near Maclear and Ugie. It is of paramount importance that the critical biodiversity areas be reflected in the Spatial Development framework for Elundini so as to ensure effective land use management is achieved in future, in accordance with the requirements of the National Environment Management Act and the Provincial Spatial Development Plan.

2.27.5.3 Biodiversity conservation

According to the EMP, mountain areas contain a high number of endemic species, and have been identified as being important for the protection of biodiversity and ecosystem services. Grasslands dominate the district, but in general they have been severely degraded and transformed areas dominate much of the landscape, as revealed by the Eastern Cape Biodiversity Conservation Plan (ECBCP).

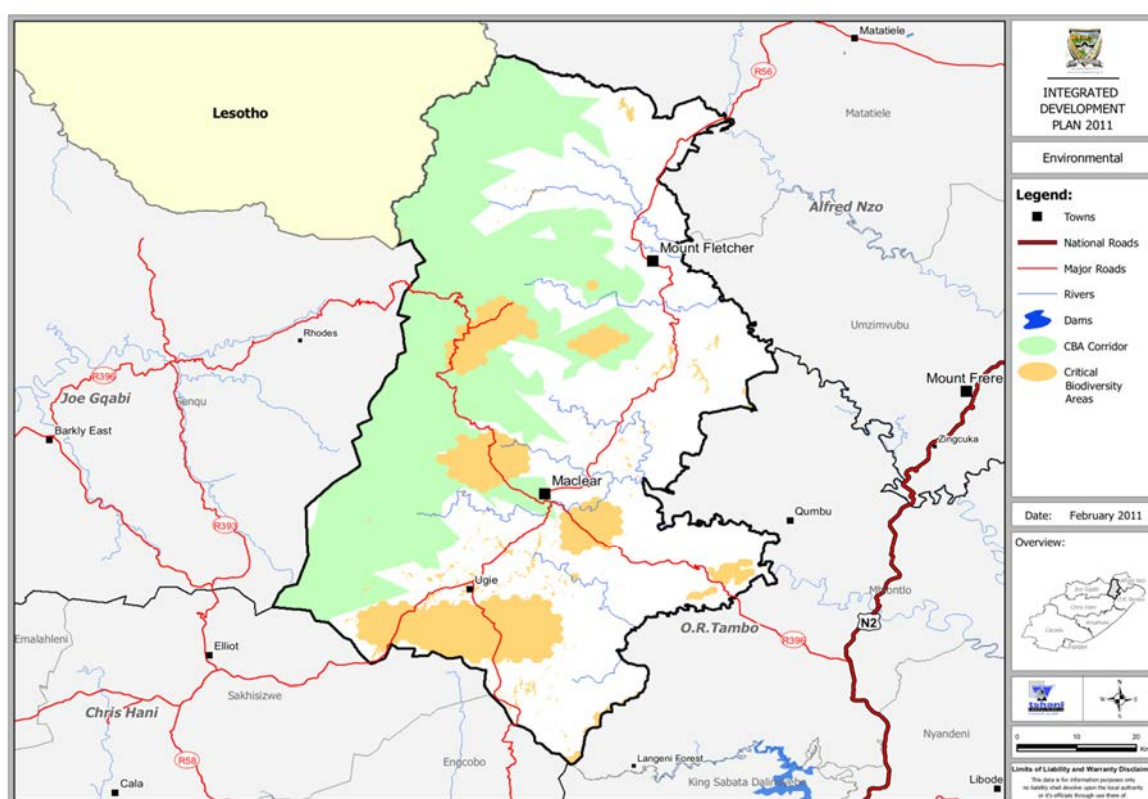
An opportunity therefore exists to formally protect the remaining intact grasslands, especially those classified as vulnerable and endangered, to ensure the important ecological functions they play in this area are

preserved, and to build on the attractive and ecologically important landscape for tourism. One of the most important ecological ecosystem services provided by the district is the provision of good quality water, and the large numbers of wetlands found in the upper elevations within a range of vegetation types are critically important in this regard. The EMP suggests there is an opportunity to apply Payment for Ecosystem Principles for water resource protection therefore exists to ensure the protection of vegetation types dominated by wetlands.

2.27.5.4 Threats to biodiversity

The EMP states the unsuitable agricultural practices such as increasing irrigation in areas of poor soils and cash crop cultivation in marginal areas, is another threat to biodiversity in the Elundini area. The continuation of degradation of the District's land cover increases erosion. This is especially evident in Senqu and Elundini, but also prevalent in Gariep and Maletswai (now Walter Sisulu) where there is an increase of the Karoo scrubland. Unsustainable agricultural practices such as increasing irrigation in area of poor soils also contribute to erosion and undermine cash crop cultivation in marginal areas. Very little is being invested into land-care in proportion to the amount of degraded land. Ongoing urbanization and the growth of informal settlements around urban centers is increasing pressure on the environment and stretching infrastructure beyond capacity limits. The municipal area has no dedicated persons looking at environmental issues. Fire, especially in the grassland areas to the east of the District is another factor affecting the environment. Illegal sand mining threatens the aquatic and terrestrial biodiversity.

Map showing Critical Bio-diversity areas (Source: ECPSPD 2010)



2.28 Waste Management

The Solid Waste Management Section located in the Community Services Department is charged with the responsibility of rendering all Solid Waste Management activities, environmental plans and programs. The Section is responsible for refuse collection, street cleaning, and waste information or waste data management, recycling, awareness and landfill site management. The Municipality adopted its IWMP which was sent to MEC

for DEDEAT for endorsement and was duly endorsed. The municipality has also formally appointed the Manager: Waste and Environment as its designated waste management officer. The Municipality has also been screened by DEDEAT as part of their process of updating the Provincial IWMP with specific focus to Joe Gqabi District Municipal Area.

The department has introduced a plan to implement the polluter pay principle through the revision of refuse tariffs to ensure sustainability of the service and minimal cost recovery. In this regard the tariff policy has been reviewed to incorporate cost elements for services that the municipality render for the public good.

Refuse Removal / Waste Collection

The refuse removal service only focuses in the CBD and peri-urban areas of Elundini Municipality. ELM provides a weekly waste collection service to all the households and daily service to businesses in Maclear, Ugie and Mt. Fletcher. In residential areas, household waste is placed on the kerb outside the house and collected from there by municipality. This domestic waste should be contained in refuse bags which are tied or knotted. ELM provides daily refuse collection services in town focusing on Businesses and Government Institutions.

Street Cleaning / Cleansing

Street cleaning is conducted daily with the main focus being in the CBD and adjoining streets. Clearing of Illegal Dump Sites and Township Street Cleaning is done through a combination of departmental staff and EPWP workers allocated to the department. The Good Green Deeds program of the department of Environmental Affairs recently launched is planned to second around 22 local youth who will assist the municipality in heightening awareness on issues of cleanliness and environmental education among communities. They will also largely deal with cleaning illegal dumps. There is also a skip service available and sidewalk bins placed at strategic points in Mt. Fletcher, Ugie and Maclear town to ensure that Businesses and people have access to them and ultimately reduce levels of littering. The number of street litter bins is planned to be increased in the 2019/20 financial year to ensure adequate litter control.

Waste Disposal/Landfill Site

ELM has three permitted waste sites namely: Maclear transfer, Ugie and Mt. Fletcher landfill sites. The three sites came into operation in 2004. The Elundini municipality entered into PPP agreement with Interwaste (PTY) Ltd. Interwaste started operating and managing the sites on the 1 July 2014. The main responsibility of Interwaste is the operation and management of Ugie, Mt Fletcher and Maclear Landfill Sites and to ensure that the permit conditions of the waste facilities are adhered to. The Maclear landfill site is utilised as a transfer station, while Ugie and Mt. Fletcher are being utilised as disposal sites.

Other responsibilities for Interwaste in the operation and management landfill sites, is to provide monthly reports on waste volumes and also ensure that the sites are operated in accordance with the permit conditions. The Municipality regularly visits the sites to ensure compliance with the Permit Conditions of the Sites and with the terms of the Contracts with Interwaste. In addition to this monitoring regime the district Environmental Health Practitioners visit the sites on a monthly basis to check on compliance with the Department of Environmental Affairs conducting random inspections. The Public Private Partnership agreement is due to be reviewed in 2019 to appraise the contractor's performance as well as to make any other necessary adjustments aimed at ensuring improvement in performance.

Recycling

ELM is working closely with Elundini Cooperative Development Centre to ensure that Cooperatives in the Recycling Sector are organised and assisted. This platform created an opportunity for the Municipality to consolidate the different requests that are submitted by Cooperatives and will ensure that everyone benefits from any assistance that is offered by the Municipality. There are currently six recycling cooperatives which are formally registered and plying their trade albeit on a smaller scale. ELM also has a Material Recovery Facility located at the Ugie Landfill Site. Currently the MRF is not in a suitable condition to be accepted by the Municipality and operated accordingly. The Municipality will make efforts to rectify the structure and be able



to offer recyclers an opportunity to be involved in the sector. Ongoing discussions between the municipality and the implementing agents of the MRF project have yielded positive results. Accordingly the MRF is undergoing repairs towards finalisation to enable planned operations.

ELM aims to promote waste minimization and recycling in the three towns and to create employment opportunities through that MRF. The MRF will contribute towards local economic development and increase the lifespan of landfill site. Currently the MRF is due to be repaired through internal funding mechanisms to pave way for its use and operation by local recycling cooperatives.

Education and Awareness

ELM has initiated programs to increase awareness concerning waste management and particularly to promote a cleaner environment to live in, in and around urban areas. Efforts to strengthen this program has been made possible by the creation of the position of Environmental Awareness and Education Practitioner who among others is also responsible for championing waste minimisation activities. The main purpose of the programs is to raise awareness and educate Elundini Municipality residents/community about issues related to cleanliness, waste, environmental management and sustainable development. The waste management awareness focuses on the anti-littering programs for the public/clean up campaigns. The Municipality intended to hold a minimum of two Campaigns per year in order to influence community mind set on waste and environmental management matters. Clean-up Campaigns and Awareness Campaigns have been conducted in all three towns. The position of an education and awareness officer has recently been approved and awaiting filling. ELM is an active participant of the Climate Change, Waste and Environment SALGA Forum, DEDEAT Waste Management Forum and the Joe Gqabi District Environmental Management Forum.

(a) The achievements in the waste management program

- Collection Services to more than 7336 households and 222 Businesses
- Daily Street Cleaning and Skip Bin Removal Services for Businesses
- Purchase of 2 new 4 Ton Truck for servicing Ugie and Mt Fletcher
- Use of a vehicle tracking system to monitor fleet movements
- Purchase of 6 additional Skip Bins for Ugie and Maclear and refurbishment of about 8 bins in Mt Fletcher
- Provision of additional Skip Bins for Mt Fletcher
- Strictly monitoring the implementation and performance of Interwaste on poor performance in terms of the PPP Agreement through various monitoring and inspections
- The employment and secondment of one local young person under the Good Green Deeds program of DEA

(b) Challenges

- Inability to extend basic waste/lack of refuse removal services in rural areas
- Shortages of personnel for effective Management of Solid Waste
- Poor Condition of the Ugie MRF
- Poor road conditions for accessing landfill sites and some townships
- Landfill airspace running out
- Lack of sector plans such as the Air Quality Management Plan and the Environmental Management Plans

Available Fleet – Refuse Removal Vehicles

MACLEAR	UGIE	MT FLETCHER
Supervisor vehicles X 2	Supervisor vehicles X	Supervisor vehicle X 2
1 x REL Compactor Truck	2 x Tractor and Trailers	1 x Tractor and Trailer
1 x 4 Ton truck	1 x 4 Ton Truck	1 x Tractor and Skip Loader
2 x Tractor and trailers		1 x 4 Ton truck

2.29 Free Basic Services

The function dealing with the free basic services is performed within the Income and Expenditure section in the Budget and Treasury Office and is filled. The ELM has adopted its Indigent Support Policy which it reviews annually as part of the IDP and Budget review process which makes it accurate and credible. The basic principles of this policy are captured by indicating that the policy is to ensure that poor households are not denied their constitutional right of access to services, the Elundini LM is required to implement an indigent support policy that makes adequate financial provision to ensure the provision of efficient and sustainable services to all residents within the area of jurisdiction. The indigent policy is intended to provide poor households on-going access to a specified level of service. The subsidies contained in the policy should not compromise the quality or efficiency of service delivery. The municipality currently provides free basic refuse removal service to poor households.

2.30 By-Laws and Enforcement (Promulgation of By-laws)

ELM has recently revised and adopted its waste by-laws in order to comply with the NEMWA Act, 2008. Due to lack of adequate capacity to enforce the by-laws, there are numerous sporadic cases of illegal dumping and littering by both residents and commercial businesses. Even though these are usually identified and cleared on a monthly basis they soon reoccur due to lack of enforcement. Council also passed a specific resolution for the imposition of a R4500 fine to those found to have illegally dumped waste upon investigation. At times community members with full knowledge and access to regular collection service still dump their waste indiscriminately. Other relevant municipal bylaws being enforced include the street bylaws, informal trading, nuisance, impoundment of stray animals bylaw, cemetery and road traffic bylaws to name but a few. ELM has also introduced regular programs aimed at raising awareness among communities against illegal dumping and other activities likely to damage the environment. To date the municipality has initiated a monthly program aimed at clearing identified illegal dumps as part of its budgeted operations.

Over and above this the municipality developed a fine schedule to enable immediate enforcement of bylaws through imposition of spot fines. Both Maclear and Mt Fletcher Magistrates courts have been furnished with the fine schedule for their approval and signatures.

2.31 Air and Noise Pollution

ELM does not have an Air Quality Management Plan and Air Pollution By-laws in place and will have to consider developing these as part of its compliance to Air Quality Act, 2004 (NAMAQA). As a member of the relevant air quality forum which sits on a quarterly basis ELM understand the need to monitor and manage air pollution sources in the area given various natural and manmade sources and P.G Bison industrial operations which is a major source of air pollution in the area. Other sources of air pollution such as manmade agricultural activities, burning of fossil fuels, vehicular traffic and natural sources as wind will receive corresponding priority. This plan will also ensure that air and noise pollution, especially in urban areas are effectively monitored and by-laws are enforced. Plans are at an advanced to designate one of the employees as an air pollution control officer. Currently the forms of pollution are dealt with through existing framework of legislation such as the approved Integrated Waste Management Plan (IWMP), waste and nuisance bylaws. Currently pollution control is achieved through various municipal bylaws such as nuisance bylaw and fire brigade bylaws. The waste disposal site bylaws also disallow any form of burning within areas demarcated as landfill sites.

2.32 Sewage Spillages

Sewerage spillages (water and land pollution) are also monitored. These are the most frequent type of environmental pollution. Unfortunately, their frequency is very high especially in the central business district of Maclear town due to lack of bulk services capacity, poor management and insufficient funding for maintenance. The water services authority, Joe Gqabi district, has offices stationed in Maclear in order to facilitate easy and quick response in the event of any such spillages, leakages and other water nuisances occasioned by burst water pipes.



2.33 Environmental Opportunities

The ELM does not have its own Environmental Management Plan and will consider developing it and is currently using the one developed by the district municipality. Some areas of the District area are endowed with scenic beauty that has significant potential for agriculture and tourism sectors. In addition, a number of endemic species contributes to the potential of the District. In addition, climatic, soil and topographic aspects show that Elundini has an environment more suited to a variety of agricultural activities. The recently adopted Spatial Development Plan and SPLUMA are implemented in a manner that ensures checks and balances are in place to ensure that any development takes cognisance of the environment and its sensitivity.

Even though this plan is not in existence, our realization is such that it will be prioritized within the short budgeting period.

2.34 Southern Drakensberg Sustainable Development and Conservation Strategy

The Southern Drakensberg Sustainable Development and Conservation Strategy, developed for the Elundini and Senqu Local Municipalities, has the following vision: “Improving the quality of life for all by facilitating sustainable economic opportunities in balance with the environment”. This long-term developmental vision contains the following key principles:

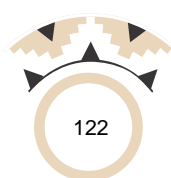
- ✓ Improving quality of life
- ✓ Facilitating local economic development
- ✓ Sustainability
- ✓ Creating opportunities
- ✓ In balance with the environment

These principles enforce the strategy’s primary objective which is to investigate the opportunity to unlock the economic potential of the region in a sustainable manner. It aims to strengthen the environmental sustainability of the IDPs and SDFs and address key structural and systems issues that are inhibiting the economic potential of the area.

The overarching goal of this strategy is to improve the quality of life of individuals in the eastern portion of the JGDM. These goals are influenced by the principles of sustainable development with the strategy using the moderate to strong definition of sustainable development which entails the improvement of human and social capital without the loss of natural capital. Through this sustainability process the strategy aims to conserve all forms of capital in the area i.e. Natural, Human, Social, Financial, and Manufactured capital.

To achieve these goals the Southern Drakensberg Sustainable Development and Conservation Strategy identified five strategic pillars. These pillars are:

- ✓ Sector Development
- ✓ Environmental Management
- ✓ Investment in Infrastructure
- ✓ Creation of Strategic Partnerships and Institutional development
- ✓ Human Resource Development



2.34.1 Waste Collection Services: Refuse Removal

SOURCE	JGDM	ELM	%
Removed by local authority/private company/community members at least once a week	117 381	28 395	19, 59%
Removed by local authority/private company/community members less often than once a week	5 696	308	0, 21%
Communal refuse dump	6 160	2 047	1, 41%
Communal container/central collection point	1 329	108	0, 08%
Own refuse dump	220 293	96 419	66, 53%
Dump or leave rubbish anywhere (no rubbish disposal)	17 120	13 074	9, 02%
Other	4 933	4 579	3, 16%
	372 912	144 930	100%

Source: CS 2016

Elundini LM has addressed the issue of unlicensed landfill sites since 2007 when the first LED Strategy was compiled. There are capacity issues with the expansion of the existing waste site in Ugie, however a program for recycling has been put in place and it is hoped that this will reduce the volume of waste entering the site. The recycling program is to be a Public Private Partnership (PPP). Landfill sites abound in the rural areas where refuse is not collected.

2.35 District Disaster Management Plan

The disaster risk assessment was conducted by the district in 2008, the district is in the process of developing disaster management plan. The District has formulated a Disaster Management Framework, a generic Disaster Management Framework and a Corporate Disaster Management Plan. These plans are used by the District to exercise its powers and conduct its duties in disaster management. The District Disaster Management Centre is developing a Scientific Based and Proven District Disaster Management Plan. This quantifies various risks, and provides strategies on how to identify and classify risks, ensures proper prevention, mitigation and response mechanisms, which are to be managed by all stakeholders.

The current institutional arrangement regarding fire and disaster management is not adequate for the purposes of discharging the municipality's mandate towards its citizens. At the helm of providing response to the various incidents and disasters only two Fire and Disaster Management officers have been employed. These efforts are assisted by participation and affiliation to the local Fire Protection Agency under the auspices of PG Bison and the local farming community. Various efforts have been made to conclude a Service Level Agreement with the Joe Gqabi district municipality for the release of a Hino fire engine truck aimed at improving ELM's capacity to render a comprehensive fire response. Up till now the municipality relies on a skid vehicle, being a small bakkie carrying a mini water tank.

ELM does not have its own approved Disaster Management Plan but fully recognizes the value and importance associated with having one. While continuing to use the district wide Disaster plan, plans are at an advance stage to free resources in order to develop one. The ability of the municipality to maintain its operations and service delivery following major incidents and or natural disasters is highly dependent on its disaster preparedness. The municipality is planning a review of its organogram to accommodate the planned shared fire services model in partnership with Joe Gqabi District municipality and Working on Fire.

Electing to participate in the shared model will yield various benefits to the municipality which include a complete revamp of existing fire hydrants, erection of fully equipped fire stations/disaster centers, secondment of staff from Working on Fire as well as provision of state of the art fire fighting engines and equipment. The premium that the municipality will have to pay for all this would be considerably far less in comparison with what costs it would incur were it to provide these itself.

Section 78 study reports have already been tabled before the Local Labour Forum (LLF) to pave way for a Council resolution in support of the shared service model.

2.36 Spatial Planning

In terms of Section 35 (2) of the Municipal Systems Act, the Spatial Development Framework for ELM has statutory status and overrides any other plan for the area or portions of the municipality that may have been compiled previously and which is described in the Physical Planning Act (Act No. 125 of 1991). Such plans would include regional development plans, regional structure plans and more localized plans such as Urban Structure Plans. As such, the Elundini Spatial Development Framework becomes the principle instrument for forward planning and decision-making on land development in the Elundini Municipal area.

The municipality has as from May 2018 appointed Umhlaba Consulting to review and update its SDF to be in line with SPLUMA and other applicable regulations. The reviewed SDF has since been approved by the council in December 2018 with Council Resolution No. CON/297/18. The municipality has also developed its Land Use Scheme which is submitted for the approved by the Council in June 2019.

(i) By- Laws

Of the five standard by-laws received from the Department of Rural Development and Land Reform (model planning and land use by-laws; model framework for delegations; model of tariffs; transitional provision and supporting document); the institution has customised and adopted the land use by-law; merges the model tariff structure with the institutions tariff structure and is in the process of customizing the delegations framework to fit that of the institution.

(ii) The establishment of Municipal Tribunal

The ELM Council has resolved that the municipality will form part of the District Tribunal with Joe Gqabi and the other local municipalities under this district and the JGDM will be a stakeholder as the WSA. The municipality has thus signed the service level agreement into this effect. The different stakeholders have identified the expertise which will be required to sit in the District Tribunal and Joe Gqabi is in the process to procure relevant expertise to serve on the tribunal. The tribunal will now start to operate from July 2019

Work in the planning stages for SPLUMA implementation

SPLUMA also requires that each institution compile a wall to wall Spatial Development Framework (SDF) and Land Use Scheme (LUS) in order to align with relevant legislation. To accomplish this planning work, it is the intention of the Town Planning Unit to first compile Ward Based Plans and then the SDF and LUS. The above must be accomplished during the 5 year transition phase on the implementation of SPLUMA.

The ELM has embarked in developing the inner-city /town precinct plans for its three town so as to:

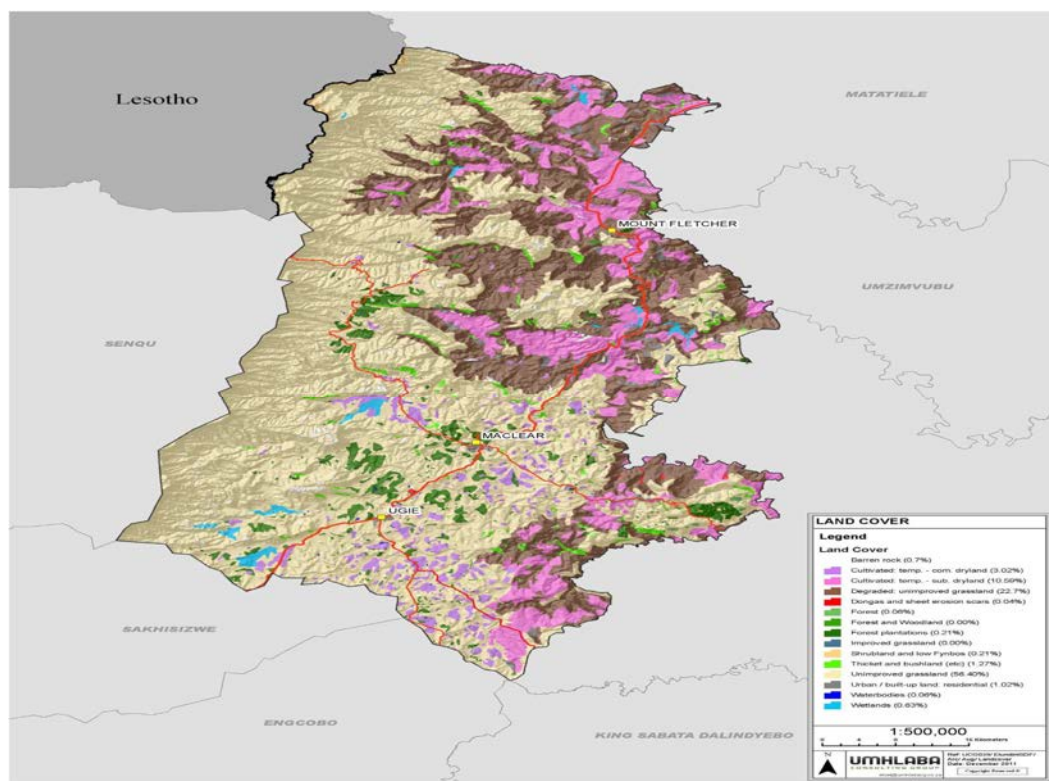
- To create efficient and productive cities/ towns with less poverty and sustained by dynamic Economies
- To reduce existing infrastructure and service disparities
- To provide better housing and shelter and greater security of tenure for urban residents
- To encourage affordable growth of local economies
- To tackle spatial inefficiencies, especially the mismatch between where people live and work - to improve the quality of the urban environment
- To transform local authorities into effective and accountable local government institutions
- To establish safe and secure living and working environments

All the three town, Ugie, Maclear and Mount Fletcher have the drafts at this stage which will be finalised shortly. Strategic projects identified through these plans will be implemented in the next four years in alignment with the budget availability.



2.36.1 Spatial Planning Elements

2.36.1.1 Land use package



The land cover pattern is largely determined by topographical and climatic factors. However, past political engineering, current tenure arrangements and population densities have impacted on the type of land cover.

An overall view of land use (cover) in Elundini LM indicates the following:

- ✓ Unimproved grassland dominates the Municipality, covering 56.40% of the total surface area. This is followed by degraded unimproved grassland (22.70%) and semi-commercial/subsistence dry land cultivation (10.56%)
- ✓ The presence of grasslands indicates the potential for livestock and game farming in the agricultural economy of the area.
- ✓ A concern however, is the fact that some 23% of the total land area is classified as degraded/eroded. The majority of this area falls within the rural settlement areas of the former Transkei. This is indicative of:
- ✓ An imbalance between the resident population and the available land resource; and/or
- ✓ Inefficient land management practices in regard to agricultural activities. In this instance, it is likely that overstocking and overgrazing is largely responsible for the state of the land.
- ✓ The importance of agriculture in the region is highlighted by the fact that 6.3% of the land cover is forestry and commercial farming, with a further 10, 56% subsistence farming.
- ✓ Land upon which urban development and/or human settlements have been developed comprises only 1.02% of the total land area, which is indicative of a low-density settlement pattern. This emphasizes the opportunity presented now by ensuring that future development is undertaken in an environmentally friendly manner, so securing the greatest asset of the area for future generations.
- ✓ Of environmental significance is that wetlands cover 0.62% of the Municipal area.

2.36.1.2 Land Ownership

Plans illustrate the current land ownership patterns prevailing across the municipal area, as well as within the main urban settlements. The following points are noted:

- ✓ There is a lack of ownership information for the urban areas in particular the town of Mt. Fletcher.
- ✓ From the information that is available, it is evident that the majority of land ownership is private
- ✓ The distribution of land ownership indicates that any meaningful land reform program to be pursued in the Elundini LM area will be reliant on restitution and land redistribution programs.

2.36.2 Development priorities in alignment to Spatial Framework

The development priorities of the municipality focus on infrastructure and service delivery. The situational analysis revealed that there is a severe shortage of essential services and infrastructure in some areas of Elundini, especially in the former Transkei. There are also discrepancies in the service delivery between the rural and the urban areas. The spatial implications in providing these basic essential services and infrastructure are:

- ✓ To identify the areas in greatest need of basic essential services and those areas must be prioritise for level one investment.
- ✓ To provide affordable and sustainable level of housing, services and infrastructure.
- ✓ To ensure that the environmental factors and constraints are taken into account in the delivery of services.
- ✓ To ensure equitable distribution of infrastructure and services.

2.36.3 Addressing Spatial Fragmentation

- ✓ Spatially fragmented settlement patterns, often comprising of low density, sprawling settlements areas are costly and difficult to service. Therefore, it is necessary to develop a means to prioritise service delivery and attempt to encourage more efficient settlement patterns by focusing on areas of potential and/or greater accessibility.
- ✓ The urban nodes of Ugie, Maclear and Mount Fletcher play a vital role in the functioning of the Municipality. It is where the largest concentration of economic activities, resources and services are situated. In order for the effective utilization of these resources and services, it is important that the towns' forms promote efficiency. In order to achieve this, the following principles need to be adopted, the urban sprawl needs to be contained, ensuring compact urban settlements by means of urban intensification (infill projects & promotion of higher densities).
- ✓ Absorption of population growth within the existing urban edge. The benefits achieved from this relate to efficiency, cost, convenience and resource utilization. The continuity of urban development, as opposed to fragmentation, so as to functionally integrate urban areas. There must be integration of uses and activities, to maximize convenience and vitality. There must be multi-functionality and sharing of public spaces and facilities in order to make the most efficient use of public investment the integration of built and non-built environments, in order to achieve the economic, environmental and recreational interaction that potentially exists between them and to make maximum productive use of urban resources. Equitable distribution of public facilities and services throughout the Municipality. Incorporated into the principal of urban efficiency is the controlled management of urbanization. A trend of urbanization is evident in the Municipality especially in Ugie and Maclear. The pressure of urbanization is not only in the need for land for housing but also increased pressure on commonage land, cemeteries, social infrastructure e.g. sports field etc.
- ✓ Land use and development decisions must promote a harmonious relationship between the built and the natural environment while ensuring that land development is sustainable over the longer term period'. Therefore Land use planning and development in the Elundini Municipality should protect existing natural, environmental and cultural resources. It is also important that the prime agricultural land should remain in production. Environmental Management principles dictated that development must be sustainable, and not to the detriment of future development. This places great emphasis on



the linkage between sound land use management and environmental management and highlights the need to integrate the two functions in an operational manner in the land management functions of the Elundini Municipality.

2.36.4 Kei Development Corridor

The Kei Development Corridor is an initiative to promote economic development in the area surrounding the main road and rail links from East London to Mthatha. The Kei Rail Project is the “anchor” project in the Kei Development Corridor and is centered on the upgrading of the railway line between East London and Mthatha. While the focus of the project has been on improvements to the rail infrastructure, the project also aims to stimulate and sustain socio-economic growth and development within the Kei Development Corridor. The Kei Rail Project is just one of a number of identified Mega Projects in the Kei Development Corridor, other Mega Projects include Wild Coast Meander, N2 Toll Road EIA, Kei Rail Business Plan, East London Harbour, Umzimvubu Basin Water Projects, Ugie-Langeni Road, East London IDZ, MELD Corridor and Massive Food Production Program.

The Ugie-Langeni Road and The Umzimvubu Basin Scheme Mega Projects impact on ELM. The Kei Development Corridor Report highlighted the importance of The Ugie-Langeni Road with regard to providing access for timber and agricultural produce to markets and production facilities and increase freight opportunities for the Kei rail. In addition, the construction of the Ugie-Langeni road will have positive ‘spin-offs’ for the tourism industry and travel patterns by unlocking the natural resources of the Ugie and Engcobo areas.

2.37 Municipal Transformation and Organizational Development Status Quo on Human Resources Management and Development

2.37.1 Institutional Characteristics

Institutional Structure

At present the Elundini Municipal Council consists of 34 Councillors and has 17 Wards, half of which are elected in terms of proportional representation and the remaining Councillors are directly elected, i.e. are Ward Councillors. The Elundini Municipality has a Collective Executive System with a Ward Participatory System. The Executive Committee is chaired by the Mayor and consists of five (5) members of the Executive Committee appointed by the Council on a proportional basis. The Mayor is also mandated with the responsibility of the IDP formulation and review processes and their tabling to the Council. The Executive Committee is the principal committee of the Council. It is the Committee which receives reports from the Standing or Portfolio Committees of Council and it must forward these reports together with its recommendations to the Council when it cannot dispose of matters in terms of its delegated authority.

The chairperson of the Municipal Council is the Speaker. The Council has defined the following roles for the Speaker (over and above the roles assigned by the Municipal Structures Act):-

- ✓ Leader of council in respect of the oversight function;
- ✓ Custodian of the interests of the members of the municipal council;
- ✓ Politically in charge of the community development workers’ program; and
- ✓ Responsible for the training and development of ward committees

In terms of Section 72 – 78 of the Municipal Structures Act, the Council has established 17 ward committees which are chaired by their respective Ward Councillors. Each committee has 10 elected representatives and their term of office runs concurrently with that of the municipal council. The ward committees are consultative community structures without any formal powers accorded to them. Where a ward committee is fully functional and effective, it is able to influence the decision taken in Council. There is a cordial relationship between the communities and their ward committees and ward committee meetings are held as per their schedule and they submit reports to the municipal council for noting through the Office of the Speaker.

ELM has established seven (7) Section 79 committees (i.e. Audit Committee; Municipal Public Accounts Committee; Women Caucus; Mandate Committee; Rules Committee; Members Interests and Ethics Committee and Budget Steering Committee) and five (5) Section 80 Committees (i.e. Corporate Services; Financial Services; Infrastructure Planning and Development; Planning and Economic Development; Community Services and Strategic Governance Portfolio Committee) which are aligned to the administrative departments and are chaired by members of the Executive Committee. These committees sit their meetings according to the adopted municipal council calendar.

Administrative Structure

The ELM's executive management structure consists of the Municipal Manager, appointed in terms of section 54 (a) of the Local Government: Municipal Systems Act; five directors appointed by the municipal council in terms of Section 56 of the Municipal Systems Act and one non-section 56 senior manager directly accountable to the municipal manager. The ELM macro organizational structure consists of the following departments:-

Table 46: Top Management

	NAME	POSITION	DEPARTMENT
1.	Mr. Khayaletu Gashi	Municipal Manager	Office of the Municipal Manager
2.	Mrs Nonkuselo Sokutu	Senior Manager: Strategic Support Services	
3.	Mrs Ntomboxolo Eddie	Director	Planning and Economic Development
4.	Mr. Sandile Matubatuba	Director	Corporate Services
5.	Mrs Sisekho Sako	Director	Infrastructure Planning and Development
6.	Mr. Luther Kokose	Director	Community Services
7.	Mr. Jack Mdeni	CFO	Budget and Treasury Office

The municipality's main political and administrative offices are situated in Maclear with two administrative units in Mount Fletcher and Ugie headed by their respective unit heads. Only the municipal manager and directors reporting directly to the municipal manager are on a 5 year performance-based contracts and have all signed their performance agreements which are reviewable annually. All other employees are employed on permanent basis except for the EPWP workers and interns.

2.37.2 Council Oversight Role

Part 2 of Section 99 of Elundini Local Municipality By-Laws Relating to Standing Rules and Orders gives guidance to the establishment of Section 79 Committees. This section highlights the process, the Council would need to follow towards the establishment of a Section 79 Committees and areas of consideration such as the capacity, financial implications, and qualifications of members to be considered to lead these committees. These committees are required to sit on a quarterly basis to deal with issues delegated to each committee. Elundini Local Municipality established four Section 79 Committees as contained in the By-Laws Relating to Standing Rules and Orders. These Committees are:-

2.37.2.1 Audit Committee

The current ELM Audit Committee, which is functional, was appointed in terms of Section 166 of the Municipal Finance Management Act, No 56 of 2003. The audit committee is comprised of four members, two of them had their contracts renewed effective from 1 July 2018 and will run until June 2021. The other two members were appointed on 1 October 2019 and their contract will run until 31 August 2022. The ELM Audit Committee performs its functions in terms of the adopted ELM Audit Committee Charter. The ELM Audit Committee also reviews performance information of the municipality.

2.37.2.2 Municipal Public Accounts Committee (MPAC)

In order to meaningfully play its Oversight Role, the Elundini Municipal Council has formally appointed the current Municipal Public Accounts Committee (MPAC) on 23 August 2017 which will run its term with the

current term of Council. Prior to this, an Oversight Committee established in terms of Circular 32 of the MFMA was operational. The Department of Cooperative Governance and Traditional Affairs has provided guidelines on the establishment of MPACs and thus proposed terms of reference for the MPACs. The MPAC functions well.

Other Section 79 Committees established by the municipality are the Rules Committee and the Members' Interest Committee.

2.37.2.3 Members Interests and Ethics Committee

A Members' Interests and Ethics Committee was established by the council as a Standing Committee in accordance with section 79 of the Structures Act read with item 14(1) of the code of conduct and subject to the provisions of this part. The committee is responsible for carrying out investigations, submitting findings and making appropriate recommendations to the council pertaining to the alleged contravention by a councillor of the code of conduct; developing standards of ethical conduct for members, monitoring and overseeing all processes relating to the declaration of interests of councillors in terms of the code of conduct including the establishment of any registers which may be required in this regard;

2.37.2.4 Rules Committee

The Rules Committee is established by the council in terms of section 79 of the Structures Act and By-Laws Relating to Standing Rules and Orders; and Policy on Roles and Responsibilities. The Rules Committee is responsible for the development, formulation and adoption of policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders. It is also responsible for monitoring and overseeing the implementation of policy; make recommendations to the Council on any matter falling within the functions and powers of the Committee; appointing sub-committees to assist it with the performance of any of its functions or the exercise of any of its powers.

2.37.2.5 Women Caucus Committee

Women Caucus is a Section 79 Committee established by the Council in terms of Section 79 of the Municipal Structures Act. The principal function of Women Caucus is to perform a monitoring function on behalf of the council and shall advise the council, the political office bearers, the accounting officer and the management staff of the municipality on matters relating to women empowerment programs; gender; employment Equity planning and implementation; organization of awareness campaigns against harmful cultural practices; Promotion, protection and defending principles of human rights; especially those of young girls, young boys, children and mothers, gender parity, democracy and peace; enhancement of the participation of women in the political, economic and social life at a local level;

2.37.2.6 Mandate Committee

Mandate Committee was established as a Section 79 Committee during 2018/2019 financial year to fulfil the obligation of cooperative governance that municipalities have in terms of Section 3(1) of the Local Government: Municipal Systems Act, 2000. This Committee was established to mandate Council members who sit in the District Council on service delivery issues that require District Council attention and report back to the Committee the District outcomes/resolutions on those matters. The responsibility of this committee is to consider service delivery issues and reports from all municipal departments on issues that need district attention; consider reports from Councillors deployed to the district to represent the municipality.

2.37.3 Risk Management

ELM has Risk Management Policy, Risk Management Strategy and Implementation Plan in place. ELM has reviewed its Risk Management Policy, Risk Management Strategy and Implementation Plan. ELM has also established a Risk Management Committee (RMC) constituted by municipal management and is chaired by the Municipal Manager. The RMC sits quarterly and functions within the municipality's Risk Management Charter that further provides terms of reference for the Risk Management Committee. A risk register is developed annually where the municipality classifies its risks and then develops mitigating factors to deal with the identified risks.



2.37.4 Anti-Corruption, Fraud and Complaints Management

ELM has developed a Fraud Prevention Strategy, Fraud Prevention Plan and Whistle Blowing Policy which have been reviewed together with the Risk Management Strategy. ELM also established a fraud prevention hotline managed by an independent firm of auditors, Deloitte. As part of awareness, the municipality's website, newsletter, municipal letterheads and municipal accounts bear details of the hotline prevention numbers. ELM, likewise, maintains a fully functional customer care service that receives and deals with all service delivery related complaints, including billing related queries. ELM manages all logged complaints in line with the service standards charter, which inter alia, regulates communications protocols and stringent turnaround times.

Complaints Management System

Elundini Local Municipality uses 03 systems to manage complaints. The first system is Deloitte Anonymous Hotline was established to manage fraud and corruption cases. The second system is the Presidential Hotline which is used to receive cases or complaints that were reported through this system. The last one is the IMIS Customer Care system which is used to manage walk-in/telephone/social media complaints as a practical way of improving customer and strengthening relations with local communities. These services are customer care help desks and IMIS electronic system. Help desks is established in the main office (Maclear) and two satellites office in Ugie and Mt Fletcher to feed the main office. These offices were established to:-

- ✓ Handle customers who want to report problems and complaints
- ✓ Deal with general enquiries on municipal services
- ✓ Collect and disseminate relevant information to customers.
- ✓ Help customers with various basic needs, viz. filling of forms, translating and clarifying information, etc.
- ✓ Attend to suggestion boxes every day and process the information then submit it to relevant municipal structure like Complaints Handling Committee.

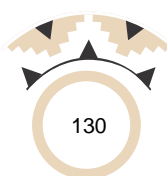
The second service is e-Scripting Service. This service was initially implemented by the municipality few years ago but the license of the system expired and in the process of renewing the contract, mSCOA was introduced in municipalities by national government. The introduction of mSCOA required municipalities to put into a halt procurement of systems because it was expected that this approach would bring about system integration. The municipality had to wait for this process to unfold. In 2018/2019 IMIS was introduced as part of the institutional system with different modules relevant for the municipalities. Project Steering Committee was established and modules required were identified. Departments were consulted by the service provider to assess their needs and to make sure that each module is responsive to client requirements. Customer Care Consultants were trained on how to use the customer care service. The purpose of this system is to offer an electronic scripting customer service to:

- ✓ Dealing with complaints
- ✓ Receiving a complaints
- ✓ Redirecting complaints
- ✓ Responding to a complaint
- ✓ Record and analyse information
- ✓ Compile a report
- ✓ Update the system on progress

Petitions and complaints from communities are received by the Speaker of the council or a nominated councillors. The Troika then meets assisted by the Municipal Manager to establish an **Adhoc** committee to attend to the petition and submit a report to the Speaker. A feedback meeting is then organised with the complaining community.

2.37.5 King IV Code

ELM commits to align its policies, strategy and its operational procedures to the King IV Code. As indicated in the King IV Code, it applies to municipalities because they operate in a system of corporate governance which requires that the various spheres of government (National, Provincial and local) cooperate in exercising powers and performing their functions. In adhering aligning itself to the code, the municipality, will consider:



King IV Code's objectives which as follows:

- To promote corporate governance as integral to running an organisation and delivering governance outcomes such as Ethical Culture, Good performance, Effective Control and legitimacy;
- Broaden the acceptance of King IV Code to be acceptable and fit for implementation across the various sector and organisation types;
- Reinforce corporate governance as a holistic and interrelated set of arrangement to be understood and implemented;
- Encourage transparent and meaning reporting to stakeholder;
- Present corporate governance as a concerned with not only structure and processes but also with ethical consciousness and conduct.

The governance outcomes:

These are the benefits that the organisation could realise if the underlying principles are achieved. The governance outcomes are:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

King IV principles such as following

- The governing body should lead ethically and effectively;
- Govern the ethics of the organisation in a way that supports the establishment of an ethical culture;
- Ensure that the organisation is and is seen to be a responsible corporate citizen;
- The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process;
- The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should serve as the focal point and custodian of the corporate governance in the organisation;
- The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively;
- The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties;
- The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness;
- The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities;
- The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives;
- The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives;
- The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen



ELM has started to infuse the broad principles of the King IV report in its systems and processes during the 2017/2018 financial year, by undertaking an ethics management maturity assessment, through an instrument that contains indicators that are structured around the following categories:

- Leadership commitment
- Community ownership
- Governance structures
- Integrity management strategy
- Prevention:
 - ✓ Promoting a professional ethical culture
 - ✓ Policies and procedures
 - ✓ Corruption risk management
 - ✓ Pre-employment screening
 - ✓ Conflict of interest management
- Detection
- Investigations
- Resolution
- Monitoring and reporting

The draft Integrity Management Strategy has been developed following the outcomes of the Municipal Integrity Maturity Assessment.

2.37.6 Elundini Organizational Structure Overview

As part of the annual IDP & Budget review processes, the Municipality has reviewed its institutional Organogram in order to reflect whether the municipality will be able to deliver on its Constitutional mandate and as circumstances so demand. The reviewed Organizational structure is adopted with the adoption of the final IDP and Budget. The Municipal Manager and Directors directly accountable to the Municipal Manager have all been appointed and are on a 5 year performance contract besides those employees who are employed on an EPWP program. Managers that report directly to the Directors and Senior Manager annually sign their performance agreements that are aligned to the municipality's SDBIP. Below is the municipality's macro structure that was reviewed and adopted with the adoption of the IDP and Budget. The whole structure of the municipality is attached as an annexure to the document. The following are the municipal departments:

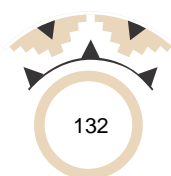
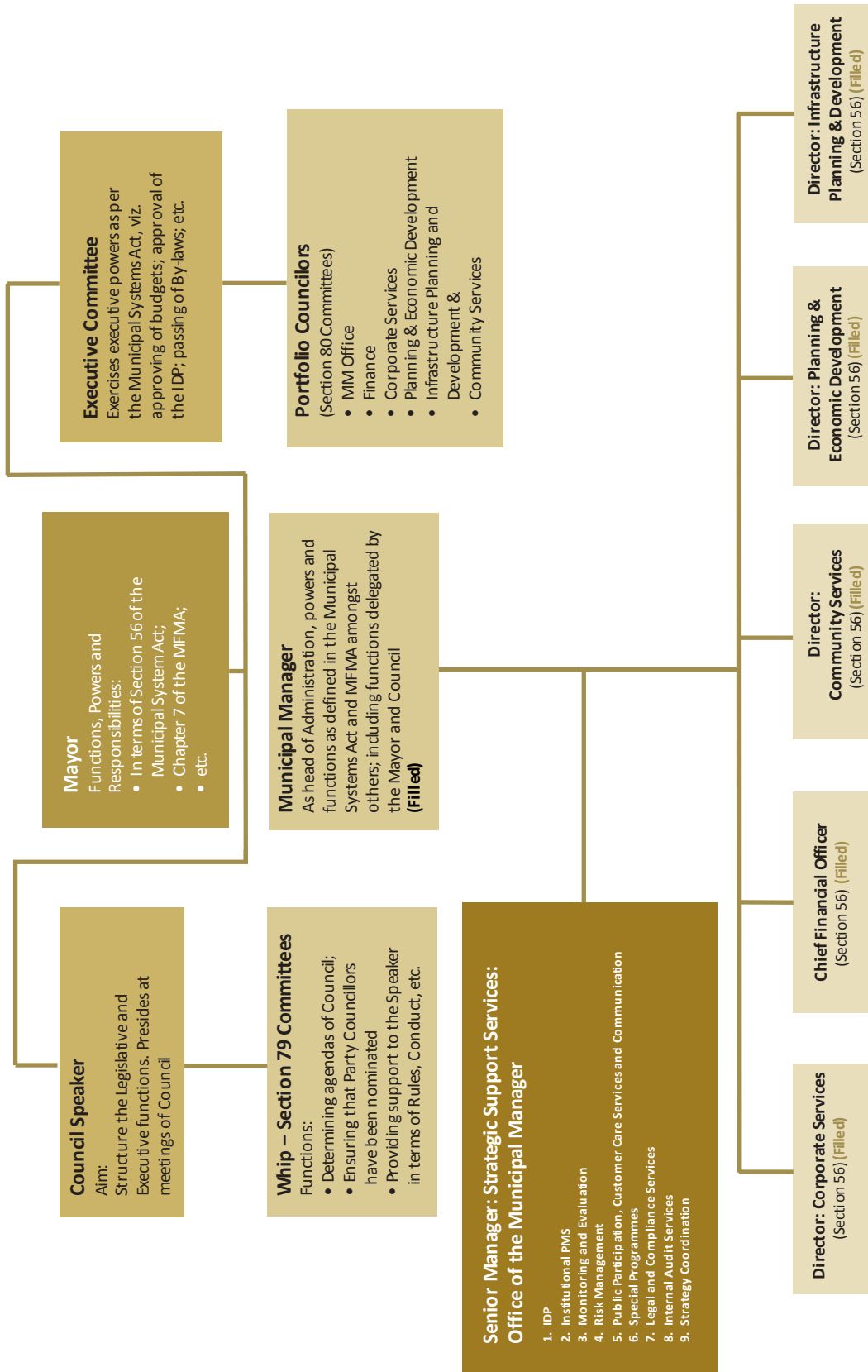


Table 327: Municipal departments and their functions

DEPARTMENT	FUNCTIONS
1. Office of the Mayor and Speaker	✓ Strategic support to both the Mayor and Speaker
2. Municipal Manager's Office	<ul style="list-style-type: none"> ✓ Strategic Support ✓ Legal Services ✓ Internal Audit ✓ IDP, PMS, Risk Management, Monitoring & Evaluation ✓ Special Programs, including HIV & AIDS, Youth, Women and People with Disabilities ✓ Public Participation, Customer Care and Communication
3. Corporate Services	<ul style="list-style-type: none"> ✓ Human Resources ✓ Administration and Support ✓ Information Communication Technology and Support
4. Planning and Economic Development	<ul style="list-style-type: none"> ✓ Spatial Planning, GIS and Town Planning ✓ Local Economic Development ✓ Property development
5. Community Services	<ul style="list-style-type: none"> ✓ Waste Management and Environment; ✓ Public Safety; ✓ Fire & Disaster Management; ✓ Law Enforcement ✓ Libraries ✓ EPWP/CWP
6. Budget and Treasury Office	<ul style="list-style-type: none"> ✓ Income and Expenditure; ✓ Budget Planning, Monitoring, Financial Statements and Report; ✓ Supply Chain Management; ✓ Asset Management
7. Infrastructure Planning and Development	<ul style="list-style-type: none"> ✓ Project Management Unit; ✓ Building and Civil Works ✓ Electricity





2.37.6.1 Status on Vacancies

The Municipality's approved organizational structure consists of 343 positions in total. Only 306 positions have been filled as from 30 June 2020 and 37 positions are still vacant, making it 10.8% vacancy rate. The number of filled positions include those of the Municipal Manager and five (05) directors reporting directly to him, which have all been filled. The filling of some budgeted vacant positions has been due to the delays in the job evaluation process. Below is the breakdown in the filling of posts per department:

Table 338: Status on vacancies

Department	No. of posts	No. of filled positions	Vacancies	Period vacant	Vacancy rate	Budgeted for 2020/2021
MM's Office	33	33	0	-	-	-
Infrastructure Planning & Development	63	57	6	1 year	9.5%	Yes
Budget and Treasury	43	39	4	1 year	9.3%	Yes
Community Services	144	121	23	1 year	16%	Yes
Corporate Services	49	47	2	1 year	4.1%	Yes
Spatial Planning and Economic Development	11	9	2	1 year	18.2%	Yes
TOTAL	343	306	37	-	10.8%	

2.37.6.2 Records Management

ELM has a functional Records Management Unit located within the Corporate Services Department. The File Plan of the municipality has standards of record-keeping which are followed accordingly. The ELM's file plan has goals which are not limited to the following that are followed in the Registry office:

- ✓ To provide a systematic framework for the classification of all records in their active, semi-active and inactive stages;
- ✓ To assist registry staff in the orderly filling and retrieval of records;
- ✓ To ensure that records are retained and destroyed or preserved in accordance with legal and fiscal requirements, archival value and operational needs;
- ✓ To reduce the volume of records in the offices by providing guidelines on the retention and destruction of records.
- ✓ Transfer of records to the filling room.

2.37.6.3 Employment Equity Plan

ELM has adopted its three year employment equity plan and annually reviews it and approves the review before the start of each financial year. The reviewed equity plan shows the relationship between the current workforce profile and possible barriers in employment equity policies and procedures. Below is the gender breakdown of staff compliment of ELM per occupational level: The table below contains information on all employees, including people with disabilities:

Table 349: Employees including people with Disabilities

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Municipal Manager)	1										1
Senior management (Directors)	3				2						5
Professionally qualified and experienced specialists and mid-management	10			1	9						20
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	29	1		1	42			1			74
Semi-skilled and discretionary decision making	58				35						93
Unskilled and defined decision making	55				44	1					100
TOTAL PERMANENT	156	1		2	132	1		1			293
Temporary employees	1				3						4
GRAND TOTAL	157	1		2	135	1		1			297

In its endeavors in meeting the employment equity target and employing more females, the ELM has not achieved its objectives as evidenced by the table above. Of the total workforce, total female employees constitute a total of 137 a slight decrease of 2% from the total number of the female workforce in the last financial year and male employees constitute of 160 male workforce and a slight increase of 3% from the total male workforce t had in the last financial year.

2.37.6.4 Human Resources/ Skills Development

ELM annually develops its Workplace Skills Plan (WSP), linked to its Human Resources Development Plan, which sets out the training needs and plans for the financial year for both councilors and staff. Such plan is then submitted to the Employment Equity and Training Steering Committee for consultation and then to Council for approval. The Workplace Skills Plan (WSP) is also submitted to the LGSETA. The municipality also developed skills audit and competency profiling report to guide development of WSP for the coming years. ELM will during the financial year 2020/21 develop competency requirements analysis and alignment of the skills needs of the employees. ELM is also capacitating the employees through bursaries and Councillors through long term programmes e.g. Local Government Law and Administration, Public Administration, etc. There are also lots of Learnerships for the ELM unemployed youth e.g. New Venture Creation Learnerships, Technical Support Learnership, Systems Support; Building & Civil Construction . Internships and Experiential Trainings is also offered to unemployed graduates in order for them to get work experience, skills and knowledge.

2.37.6.5 Job Evaluation

ELM reviews its organizational structure annually as part of the IDP review process. Job profiling and job description process is conducted for all new positions and those that have been affected by the review process. Review of job descriptions for existing positions that are affected by the review of the organogram is also conducted. Job descriptions for all new positions and affected positions are subjected to a job evaluation process which is conducted through District Job Evaluation Committee and audited by the Provincial Audit Committee. ELM uses the Task system to evaluate positions as adopted SALGA.

2.37.6.6 Occupational Health And Safety

ELM is currently in the process of developing Occupational Health and Safety Management System that is intended to improve ELM's performance standards in terms of Health and Safety. The development of the system will be in line with ELM operations and activities and constantly reviewed to cater for any changes for improvement. ELM also has an Occupational Health and Safety structure in place called ELM Health & Safety Committee which seeks to improve ELM performance in terms of health and safety. The Health & Safety Committee is comprised of various representatives from different municipal departments.

2.37.6.7 Employee Health And Wellbeing

ELM is currently implementing its Employee Wellness Strategy that was adopted by council. There are numerous activities that employees are embarking on which include among others counselling, referrals for counselling, sports events; FUN walks, observation of National Health Calendar which is done in conjunction with the Department of Health and this is done to encourage and foster Inter Governmental Relations. The municipality has also resolved to give those employees who participate in sports afternoon off on Wednesdays from 15:30 to go and participate in their various sporting codes.

2.37.6.8 Leave Management

The Human Resources Department has revised its policy and procedures in order to address shortcomings that have been raised by the Auditor-General and have implemented various steps aimed at improving Leave Management. An electronic system is used to record all kinds of leaves that employees have taken. The system enables the manager responsible for the leave to approve it in the system and human resource is able to assess all filed leaves in the system.

2.37.6.9 Labour Relations

There is general labour peace in the institution in so far as labour related issues are concerned. Management is trying by all means to consult with labour on all matters of concern. The employer has developed an open door approach to consult with the trade unions even outside the legitimate structure created for consultation. The council calendar also include the monthly sitting of Local Labour Forum (LLF) so as to further enhance sound labour relations and compliance with the Organizational Rights Agreement. Councillors, management and employees adhere to the Code of Conduct for both Councillors and employees.

2.37.6.10 Information Communication Technology And Support**1. Formulation of various ICT Governance Documents and Strategies**

ELM operates with high integrity ICT Governance Standards to ensure compliance with regulations both local and internationally recognised standards. In this regards ELM took upon itself to ensure that it complies with aforementioned ICT Governance Standards in line with KING IV, ISO/IEC 38500, ISO 27001/2 POPI ACT and other relevant standards and practices by reviewing and benchmarking its existing policies, procedures, frameworks and strategies annually in order to align them with current updated standards. As part of implementing IT Governance as per the KING IV and COBIT recommendations, ELM reviewed the following ICT Policies:

- ✓ Reviewed Disaster recovery plan, operationalize and update to talk to the IT setup;
- ✓ Reviewed Procedure manuals and team notes for disaster recovery;
- ✓ Supply and install Water and food prohibition signs at the main and disaster recovery site;
- ✓ Identified key documents and equipment for recovery plans and move copies to the recovery site;
- ✓ Developed IT Physical Access to Server Room Procedure;
- ✓ Reviewed IT Risk Register;
- ✓ Developed IT Risk Management Procedure;
- ✓ Developed Change Control Procedure;
- ✓ Developed Backup and Recovery Procedure;
- ✓ Developed Patch Management Procedure;
- ✓ Developed Firewall Management Procedure;
- ✓ Developed Antivirus Management Procedure.

a) Implementation of Information Security:

- ✓ Carry out IT security awareness initiatives and campaigns.
- ✓ Support day-to-day administration of various firewalls.
- ✓ Proactively assess potential items of risk and opportunities of vulnerability in the network.
- ✓ Design and implement IT Security policies and procedures for the administration of security measures over the network, operating system.
- ✓ Implement strong password controls to authenticate system access. Incorporate this aspect in the IT Security policy.
- ✓ Ensure the ELM correctly configures firewalls routers within the network environment to ensure optimal protection against unauthorised access.
- ✓ Ensure that there is anti-virus software across the organisation to protect information systems.
- ✓ Ensure there is patch management process to prevent exploitation of vulnerabilities.
- ✓ Ensures that activities within the system network, including databases are tracked by using audit trails by someone independent of administration functions.
- ✓ Ensure that system configuration detect security vulnerabilities and that incidents are monitored, reported and resolved on a regular basis.
- ✓ Carry out checks / tests for effectiveness that Firewall, Anti-Virus and Spyware solutions to ensure the ELM's email, intranet and internet are protected.
- ✓ Perform additional related responsibilities as required to ensure compliance with the Auditor General's requirements and relevant laws and regulations.

b) Development of IT Master Systems Plan:

- ✓ Interview key stakeholders.
- ✓ Conduct the Business, Information, Applications, and Technology GAP Analysis.
- ✓ Develop IT Master Systems Plan that incorporates Implementation Plan.

c) Implementation of POPI:

- ✓ Conduct POPI Readiness Assessment.
- ✓ Develop Plan of Action for POPI Compliance that includes the development of Data Protection Policy and Procedures, Data Privacy Plan.
- ✓ Conduct POPI Compliance Assessment to comprehensively evaluate how Plan of Action is implemented to comply with POPI.

d) Development and Implementation of Business Continuity (BC) and IT Disaster Recovery (DR) Plans:

- ✓ Conducted Business Impact Analysis and Risk Assessment.
- ✓ Identified the Recovery Strategies.
- ✓ Prepared Business Continuity and IT Disaster Recovery Plans.
- ✓ Educated and Trained on BC and IT DR Plans.
- ✓ Tested BC and IT DR Plans and update accordingly.

The above-mentioned activities were presented to Council for approval and adoption and are considered as official municipal guideline documents that will enhance service delivery.

2. Installation of new telephone system and cost containment strategy implementation

- ✓ ELM has previously been using a telephone system that was dependent on ordinary telephone lines. The new telephone system that has been deployed is referred to VOIP (Voice Over Internet Protocol) system. The system works over ELM's LAN (Local Area Network) instead of ordinary telephone lines. The main purpose to deploy this system within ELM's is to save costs when making calls to remote sites (Ugie and Mount Fletcher) as the system will read the sites as internal extensions instead of a foreign external phone number which bills the municipality.
- ✓ The telephone system has been deployed at the main site in Maclear and is now fully functional.
- ✓ All network cabling was renewed and new networking cables in newly developed offices and areas that were previously connecting via wireless were added. The main purpose of the renewal is to ensure full compliance of the VOIP system as it cannot work through wireless connections.



- ✓ In terms of implementing the cost containment strategy, pins with airtime limits have been allocated to users and are being monitored by the new Ipecs system which automatically cuts off the user pins should they reach their monthly allocated pins.
- ✓ In addition to the above-mentioned, the municipality has cut allocated phone call pins into half in order to implement the cost containment strategy.

2.37.6.11 Litigation Register

During the year under review, the legal section of ELM facilitated the following litigation matters:

CASE DETAILS	MUNICIPAL ATTORNEYS	NATURE OF CLAIM	CLAIM AMOUNT	PROGRESS
1. SADC Commercial Advertising (PTY) Ltd	Internally handled for now	Claim for services rendered [not detailed]	R35 995.00	On 4 th December 2018, responded giving notice of intention to defend. Nothing further has been undertaken by claimant.
2. Likotoz Projects	Previously approached attorneys Fikile Ntayi & Associates.	Claim is based on Acknowledgement of debt resulting from erroneous payments effected to the company.	R265 557. 89	To redirect instructions to newly appointed panel of attorneys.
3. Zilwa Contractors	Mgxaji Incorporated	Unlawful termination of a contract [Mt Fletcher Craft Centre]	R1 250 000.00	Awaiting for a trial date.
4. X. Mntonintshi	Gray Moodliar Attorneys	Unfair Labour Practice	None	The matter proceeded in the labour Court on 04 th September 2019 and the judgment remains reserved.
5. SAMWU obo Z. Dube	Gray Moodliar Attorneys	Unfair Dismissal	None	The applicant failed to comply with the Practice Manual, and accordingly, its review application is deemed to have been withdrawn. The file was pended for three months, and within that period the applicant took no further steps. The applicant then served a rule 7A(6) notice together with the transcribed record on 23 July 2019, 112 days out of time. The applicant filed a rule 7A (8)(b) notice, standing by its notice of motion, on 25 July 2019. The Applicant failed to file a replying affidavit. Court file has been indexed and paginated. Await notice set down in respect of the municipality's special pleas.
6. Nangamso Civils		Summons commenced action for additional services rendered: Lehana to Upper Tokwana: Elm 03/039/2013-2014	R961 155.60	Awaiting for a trial date.
7. Mashata Sekhosana	Fikile Ntayi & Associate	Interdict against land invasion	None	<ul style="list-style-type: none"> • Awaiting for a date of hearing. • May have to seriously consider counsel's Advice on Evidence in the matter.
8. F. N. Vapi	McFarlen Attorneys	Claim for damaged resulting damaged car because of the municipality's negligence	R85 307.67	Matter is dormant as per attorney's advices.

2.38 External Environmental Analysis

The municipality also analyzed both its external and external environment during its strategic planning session. Below is the summary of the analysis:

Table 50: Environmental Analysis

(a) POLITICAL FACTORS

	OBSERVATIONS
	<ul style="list-style-type: none"> ✓ Perceived lack political stability in the country manifested through instability in certain structures of government such as security cluster, SOEs etc. ✓ Corruption embedded within government poses serious reputational risks for the country. ✓ Politicization of the public service resulting to a divided focus and vision of different parties and allocation of resources. ✓ Unfair allocation of resources to small municipalities. ✓ Inadequate technical expertise and resources support resulting to slow service delivery. ✓ Inability to successfully collect debt due to the municipality from other public bodies. ✓ Insufficient budget allocation for public body offices at local level resulting ✓ Poor integrated planning between the municipality and public bodies ✓ IGR platform within Joe Gqabi District is not effective resulting on missed out opportunities to address service delivery challenges. ✓ Regular elections ensure legitimacy of difference spheres of government. ✓ Active participation of traditional leadership in the council ✓ All wards have ward committees ✓ Augmented community participation through village and township based interactions ✓ Establishment of ward war rooms for improved handling of service delivery issues
Opportunities	<ul style="list-style-type: none"> ✓ Diverse political party governance at different increase competition among political parties and benefits community. ✓ Changing political landscape resulting to improvement of service for service delivery for citizens. ✓ Political stability within the Joe Gqabi resulting to citizen loyalty for the ruling party. ✓ Public body offices increase accessibility at local level. ✓ Availability of resources within public bodies which may result to partnership and maximization of resources for service delivery. ✓ Existence of IGR platforms for engagement and sharing of information ✓ Factionalism at ward level (ward councilor and ward committees) compromises service delivery
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Service delivery is compromised by the threats
Preliminary options	<ul style="list-style-type: none"> ✓ Election and appointment of credible leaders who are moral, ethical, transparent and accountable ✓ Political intervention for IGR challenges need to be strengthened ✓ Develop alternatives strategies to increase revenue such as building of way-bridge. ✓ Planning processes between three spheres of government need to be re-looked at and improved for better service delivery. ✓ National government should develop clear guidelines for traditional leaders and councilors roles ✓ Introduce electronic election processes to promote social cohesion and eliminate factionalism ✓ Institutional and Social Development enhancement and integration

(b) ECONOMIC FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Poverty intensity of the municipality increased from 41% to 44% ✓ Dependency rate on social grant is 75% ✓ Household size increased from 3,6 to 4 people ✓ High unemployment rate 44% ✓ Reduced contribution of the primary sector to the local economy (agriculture and forestry) ✓ All other sectors increased and yet the primary sector decreased ✓ Increase in informal business owned by foreign nationals who do not contribute to the fiscus by taking the money out of the local economy ✓ Low levels of skills and education increases dependency ✓ High inflation (affects purchasing power and input prices) ✓ Located inland (high cost of doing business) ✓ National treasury allocations are declining in real terms ✓ Dual use of properties by foreign nationals (residence and business)
Opportunities	<ul style="list-style-type: none"> ✓ Tertiary sector (retail and financial services) ✓ Secondary sector (construction and manufacturing) ✓ National policies which encourage primary sector productivity (IPAP) ✓ Untapped sectors which can be tested (energy and mining and quarry) ✓ Natural resources (arable agricultural land) ✓ Property development (serves as an infrastructure for commercial enterprises) ✓ Tourism (getting into partnerships with land owners like the dinosaur footprint & Tsitsa fall, land suitable for adventure tourism)
Implications for the Municipality	<ul style="list-style-type: none"> ✓ The municipality has to serve more people with less money ✓ Social instability (protests, increase in crime, etc.) ✓ Migration of young people with skills ✓ Unattractive to investors due to the high cost of business ✓ Arable land being used for residential purposes
Preliminary options	<ul style="list-style-type: none"> ✓ Public private partnerships (initiation and management secondary and secondary) ✓ Development of local skills (technical and business knowledge) ✓ Development of inner city (economic infrastructure) ✓ Cost containment (doing more with less) ✓ Research skill for continuous economic update (provide economic ✓ Information to potential investors) ✓ More focus on economic development from the municipality and an increased budget allocation to local economic development ✓ Strategies should take care of growing the survivalists, micro, small medium and large ✓ Full utilization of our natural resources (municipal land)

(c) SOCIAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Inaccessibility to higher education, skills development centre ✓ Performance and facilities in the basic education, ECDs ✓ Skilled early childhood practitioners ✓ High crime rate ✓ Lack police visibility ✓ Drug abuse particularly among the youth ✓ High unemployment rate ✓ Poor and inaccessible primary health care ✓ Residing shops ✓ Chronic disease ✓ Dependency on social grants ✓ Child headed households ✓ Diversified cultures resulting in lack of promotion of a single belief system
Opportunities	<ul style="list-style-type: none"> ✓ Funding for infrastructure development to schools ✓ NSFAS and Government for education ✓ TVET College is available in Mt. Fletcher ✓ Arable land

	<ul style="list-style-type: none"> ✓ Anti-poverty policies government policies ✓ Active youth participation in sports ✓ Diversified cultures promote tourism
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Increase in indigents ✓ Improved literacy rate ✓ Disinvestment as a results of a stagnant economy ✓ High crime levels areas to classification as a high insurance risk lead to higher premiums ✓ Poor state of health/ well being ✓ Unskilled labour, low skill levels literacy ✓ Poor and inaccessible primary health care ✓ Unhygienic and fermenting environment in shops
Preliminary options	<ul style="list-style-type: none"> ✓ Increase budget to fund indigents ✓ Allocate more resources of skills development ✓ Partnerships with skills providers ✓ More police visibility and awareness ✓ Support social and recreational opportunities ✓ Skills development centres ✓ Career information centre ✓ Upgrade and maintain access roads to primary health centre ✓ Implementation of bylaws on the health inspectors and law enforcement

(d) TECHNOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Because of the rural nature of our municipality, there is limited space for innovation. ✓ Broadband penetration is low. ✓ Impact of social media ✓ Reputational risks as people can spread perception ✓ Unfair and uniformed insults intended for public representatives ✓ Telecommunication infrastructure is limited. ✓ Electricity theft (Izinyoka)
Opportunities	<ul style="list-style-type: none"> ✓ Great and cheaper communication tool for service delivery to the community. ✓ The Elundini population is becoming younger, with 42% of the population younger 35 years.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Need to advocate for the mainstream ICT infrastructure through IGR. ✓ Leverage on existing infrastructure to increase access to internet.
Preliminary options	<ul style="list-style-type: none"> ✓ Establish the Twitter and Facebook pages.

(e) ECOLOGICAL FACTORS

OBSERVATIONS	
Threats	<ul style="list-style-type: none"> ✓ Climate Change/ Global Warming - Extreme Weathers (very hot, very cold)– RSA, District, and Elundini ✓ Extinction Of Species, E.G Vulture & other birds, animals and certain vegetation ✓ Deterioration Of Ecosystems And Wetlands (due to over Fishing, Hunting, New Developments) ✓ Environmental Pollution (Air, Water, Soil, Noise) ✓ Landfill Sites (running out of Space, houses within the buffer zone, dumping of unacceptable materials) ✓ Natural Disasters (Dongas, Floods, Storms, Veld Fires, Gust Winds) ✓ Use Of Fossil Fuels (wood burning, fire) ✓ Environmental Health Issues (Communicable Diseases)- waterborne and airborne diseases ✓ Land Invasion & Lack Of Land Use Management – Building in Cemeteries, Wetlands, Landfill Sites and Flood Plains.
Opportunities	<ul style="list-style-type: none"> ✓ Precipitation Harvesting – Rain water tanks, Snow melting , Mist And Mountains (as water sources) ✓ Ground Water (extraction of water) ✓ Legislation – Protected Areas, Conservation, 1996 Constitution section 24. NEMA 1998 ✓ Technology – use of Solar Panels, Sensors, Alternative Energy Sources



	<ul style="list-style-type: none"> ✓ Support From National and Provincial Environmental Affairs ✓ Education And Awareness Programs ✓ Recycling initiatives ✓ Land Use Management Planning extended to rural areas.
Implications for the Municipality	<ul style="list-style-type: none"> ✓ Waters Scarcity And Droughts ✓ Effects on Eco-Tourism (Bird Watching, Fly Fishing, Tsitsa Falls) – Tourists from overseas will no longer come ✓ Disasters / Ecosystems – threat to Food Security – increase on Dependence on Social Grants/ Indigents ✓ Disasters - Loss Of Life, Loss Of Productivity (working hours), Disruption To Service Delivery and its Implications ✓ Socio-Economics - Health Implications, Investment Issues, Economic Issues, Migrations To Better & Safer ✓ Environmental Deterioration – poor produce, browner pasture, invasive alien species
Preliminary options	<ul style="list-style-type: none"> ✓ Paperless Administration + Recycled Papers, ICT ✓ Energy Efficient Operations / Alternative Energy (Switching off Lights & Heaters, use of Led, sensors) ✓ Education And Awareness Campaigns – Environment, Energy Use & Disasters ✓ Effective Solid Waste Management, Implement New Technologies, allocate financial resources ✓ Establishment of Full Fire Services and Disaster Management ✓ Development of Climate Change Strategies, Environmental Management Plans, Energy Efficiency Strategies

(f) LEGAL FACTORS

	OBSERVATIONS
Threats	<ul style="list-style-type: none"> ✓ Over regulated environment when it comes to remuneration of section 56/7 managers, making it difficult for the municipality to attract and retain competent senior managers. ✓ Conditions of Services for municipal staff are decided at a Central and Divisional Bargaining council levels , especially the salaries and other benefits, as such municipalities are obliged to implement which affects the attraction & retention of staff. ✓ Strikes, picketing and protests due to salary and wage negotiations / service delivery. ✓ Regulations leading to confusion (SCM) regulations and central database, PPPFA. ✓ Disjuncture between regulations, legislation and practices especially in the SCM field (SARS tax clearance, etc.). ✓ No synergy between national, provincial and local government in terms of submissions of WSPs, ATRs and budgets. ✓ The manner in which legislation is written makes it difficult for smaller municipalities to comply, leading to law enforcement unit not legally constituted thereby exposing the municipality to possible litigations. ✓ Misalignment of powers and functions exposing the municipality into unnecessary protest and possible litigations. ✓ Land invasions especially in the Mt. Fletcher area due to a slow process of formalization of residential areas that has been promised. ✓ Noncompliance by other sister departments exposes the municipality to litigation and protest actions (Formalization of sites in Mt. Fletcher and Maclear).
Opportunities	<ul style="list-style-type: none"> ✓ There are functional IGR structures in place to address the issues (DIMAFO; MUNIMEC etc...). ✓ SALGA and COGTA to raise issues on behalf of the member municipalities. ✓ LRA (lockouts, no –work –no pay)
Implications for the municipality.	<ul style="list-style-type: none"> ✓ Delays and disjuncture in terms of service delivery; ✓ There may be possible service delivery protests and interruptions. ✓ Unnecessary litigations; and or disputes ✓ Lack of trust from the communities. ✓ Inability to attract and retain competent staff. ✓ Increased informal / illegal dwellings with limited / services that are unaccounted for.
Preliminary options	<ul style="list-style-type: none"> ✓ There is a need to harmonize all of the by –laws, regulations and legislations. ✓ There is a need to closely monitor the IGR performance. ✓ More interactions with SALGA so that they can have better understanding of their plight during the negotiations at SALGBC.

2.39 Organizational Analysis

Organizational Strengths & Weaknesses

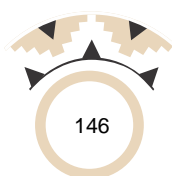
In order to respond effectively to the challenges in which we operate, as prescribed by our legislative and constitutional mandate. We have note the following strengths which we intend to use to achieve our goals. We have also noted weaknesses which we intend to convert into strengths through effective management.

Table 51: SWOT Analysis

KPA	STRENGTHS	WEAKNESSES
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	<ul style="list-style-type: none"> ✓ Functional Council supported by committees ✓ Functional Audit Committee ✓ Traditional Leaders are participation in council ✓ Established and functional ward committees ✓ Established war-rooms ✓ CDWs in all wards ✓ Community Participation Liaison Workers in all villages ✓ Unqualified audit report ✓ Mayor's conversations properly coordinated ✓ Creative and innovative projects (Khaba ka difaha, kairos moment, MSI etc.) ✓ SPU strategic plans (Sports Development plan, HIV and AIDs multi-sectorial response plan, Women Development plan etc. 	<ul style="list-style-type: none"> ✓ Lack of customer care system ✓ Lack of proper system to disseminate information emanating from ward committees ✓ Archaic public participation methods ✓ Failure to review strategies (Risk Management Strategy, Communication, Customer Care, Youth Center, Public Participation etc.) ✓ Lack of Accountability (PMS) ✓ Poor implementation of service charter. ✓ Poor management of political processes resulting in delay in the establishment of ward committees in some wards
FINANCIAL VIABILITY AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Policies and Procedures and By-Laws are in place ✓ All senior Levels position are filled. ✓ Maintained effective systems of internal control ✓ Continuous improvement in audit outcomes ✓ Maintained an improved grant utilization mechanism. ✓ Accumulated adequate cash reserves to curb immediate financial interventions. ✓ Procurement Strategy that has led to reduce delays in infrastructure acquisition ✓ Grossly reduced consultant dependency on external service providers ✓ Achieved improved debt collections mechanisms. 	<ul style="list-style-type: none"> ✓ Inability to enforce directorate to make supply chain submissions ✓ There are constant compliance changes resulting in reduced short term procurement life cycle ✓ Inefficient debt collection strategies. ✓ Weakness in formulating adequate Specifications. ✓ Ineffective mechanisms in convening Bid Committees. ✓ Poor contract and project management. ✓ Ineffective people management skills. ✓ Lack of proactive asset management mechanism (need identification, timely disposal, maintenance) ✓ Lack of continuous review of organizational structure.
SERVICE DELIVERY AND INFRASTRUCTURE	<ul style="list-style-type: none"> ✓ Capacity to Plan and develop strategies ✓ Integrated Waste Management Plan ✓ 3 Year Capital Plan ✓ Human Resource Capacity – Qualified personnel ✓ Availability of Budget for Infrastructure for Roads Construction ✓ Availability of Plant and Equipment for Construction and refuse Collection. 	<ul style="list-style-type: none"> ✓ Lack of Customer Satisfaction Surveys ✓ Poor Contract Management and poor project management. ✓ Lack of By-law enforcement ✓ Over reliance on overtime. ✓ Over reliance on Mass Jobs and Casual Employees. ✓ Reliance on external service providers. ✓ Lack of Infrastructure Asset Management Strategy

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Construction Procurement Strategy in place to address the support of local contractors ✓ Compliance with Landfill Site Permit Conditions ✓ Provincial Recognition - Greenest Municipality Awards 	<ul style="list-style-type: none"> ✓ (From Procurement, use, maintenance and disposal). ✓ Dependence on MIG Funding with No Internal funding for Infrastructure. ✓ Lack of Supervision of general staff by their supervisors, Managers and HODs ✓ Under recovery on cost of services rendered (waste and electricity)
INSTITUTIONAL TRANSFORMATION AND MANAGEMENT	<ul style="list-style-type: none"> ✓ Trade unions are recognized by the institution. ✓ Recruitment & selection is internally focused thus giving promotional opportunities. ✓ Most of the grievances are settled internally before turning into disputes. ✓ Sound ICT infrastructure in place. ✓ Information sharing sessions are held quarterly. ✓ There is an employee wellness office in place. ✓ Job security and institutional memory guaranteed to all employees other than section 56/7 managers. 	<ul style="list-style-type: none"> ✓ No proper implementation of performance management systems. ✓ LLF meetings tends not to quorate ✓ Labour turn over on critical positions, where we cannot get suitably qualified person internally. ✓ Most of the policies are obsolete and require reviews / development. ✓ Implementation of most of the policies and strategies remains a challenge. ✓ Some of the policies are replaced by collective agreements as such they are not implementable. ✓ Job hopping as a result of internal recruitment. People to at least complete probationary period prior to applying for another post. ✓ There is a capacity (under staffing and lack of competent staff) challenge within the ICT section. ✓ Lack of proper systems and processes. ✓ Lack of monitoring and evaluation of policies, systems and processes. ✓ Training and development of staff is a challenge. ✓ No proper occupational health and safety systems in place. ✓ Staff retention is a challenge. ✓ Wellness programs exclude councillors & traditional leaders. ✓ Under staffing especially in service delivery departments. ✓ Delays in filling of critical vacancies.
DEVELOPMENT PLANNING AND LOCAL ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> ✓ Institutional knowledge on economic development needs ✓ Agricultural development plan (in place) ✓ Mount Fletcher economic feasibility study ✓ Business enabling environmental study ✓ Permits and licenses plan ✓ Local business development support institutions (CDC & craft centre) ✓ Industrial development plan(furniture and other natural resources) ✓ Municipal property development plan ✓ Effective partnerships are in place ✓ Procurement strategy allows for 25% benefit for SMMEs ✓ By-laws - SPLUMA ✓ Processes in place for applications 	<ul style="list-style-type: none"> ✓ LED strategy needs to be reviewed ✓ Tourism strategy need to be reviewed ✓ Policy to regulate informal trading ✓ Lack of resources to implement plan ✓ Lack of Research skills ✓ Budget constraints ✓ Non-functioning Maclear Open Market (separation of duties) ✓ Forestry development partnership eastern side and no initiative on the western side ✓ Office space ✓ Tourism information centre not fully utilized ✓ SPLUMA aligned town planning scheme ✓ GIS (data not upgraded) ✓ Budget constraints

KPA	STRENGTHS	WEAKNESSES
	<ul style="list-style-type: none"> ✓ Policies (property rates) ✓ Draft precinct plans (for three town) ✓ Land audit – land inventory ✓ Functional PMS (section 56/7) ✓ PMS policy in place ✓ 5-year IDP 	<ul style="list-style-type: none"> ✓ Revision of SDF ✓ Physical protection of land (enforcement) ✓ Lack of regulation to force improvements on property ✓ Revision of outdoor advertising by-law and policy. ✓ Inadequate office space ✓ Lack of long term vision of the municipality (e.g. Elundini 2050) ✓ Lack of Ward based plans ✓ No effective engagement with stakeholders – IDP forum ✓ Monitoring and evaluation framework ✓ Specialist on monitoring and evaluation ✓ PMS below 56 is not well functioning

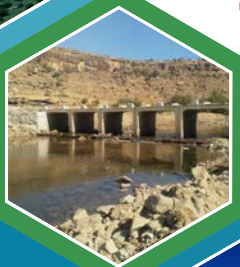




C

SECTION

VISION AND MISSION



3 SECTION C: VISION AND MISSION

The Mission and Vision Statements and Values of the Municipality were confirmed as valid and were not changed.

3.1 Vision Statement

“A leading rural municipality that delivers a better quality of life for all citizens - a municipality that is phenomenally viable, highly successful and passionately people-centered.”

3.2 Mission Statement

Our mission is to operate a rural municipality that:

- *delivers excellent services to its people who remain its priority in everything that it does,*
- *is financially viable,*
- *has good governance in place,*
- *is transformed and developmental,*
- *is clean, green and sustainable*

3.3 Values

Team Work: We work together as a team, each playing their role to achieve common goals.

Commitment: We are dedicated to achieving municipal objectives.

Trustworthiness: We are honest & reliable.

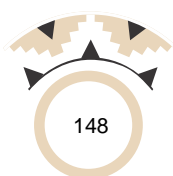
Transparency: We promote openness and accessibility to information

Ethical Conduct: We subscribe to high morals and principles to promote and maintain integrity of the Municipality

Professionalism: We utilise our skills and knowledge with due care and integrity.

Accountability: We take responsibility for our actions and decisions.

Respect: We treat all people with dignity and courtesy



D

SECTION

GOALS, STRATEGIC OBJECTIVES,
KEY PERFORMANCE AREAS
& PERFORMANCE



4 SECTION D: GOALS, STRATEGIC OBJECTIVES, KEY PERFORMANCE AREAS AND PERFORMANCE INDICATORS

The Council and Administration of ELM have, in its strategic planning session held in February 2018, recommitted themselves to working towards the realization of the following three (3) strategic goals which have been aligned to the Vision, Mission and Key Performance Areas of the Municipality:

- **Goal One:** Accelerate service delivery and infrastructure development;
- **Goal Two:** Promote economic growth, environmental sustainability and creation of decent jobs;
- **Goal Three:** To improve the effectiveness of governance administrative and financial systems

4.1 Strategic Goals and Objectives

There was a consensus among participants that there were too many objectives in the current strategy, and some of them were over-lapping or purely activities. Discussions lead to the following reconfiguration of Strategic Goals and Objectivities.

Table 353: Strategic Goals and Objectives

Strategic Goals	Strategic Objectives
Goal 1: Accelerate service delivery and infrastructure development.	1.1. Efficient construction, rehabilitation and maintenance of municipal infrastructure
	1.2. Promote environmental health and safety of local communities
	1.3. Increase quantum of households receiving free basic services
Goal 2: Promote Sustainable economic growth and creation of decent jobs.	2.1. Increase mining, agricultural, forestry and tourism products and services
	2.2. Support the development of SMME to participate in a diversified and growing economy.
	2.3. To increase investment through land and socio-economic infrastructure development.
	2.4. Promote creation of employment opportunities and decent jobs
Goal 3: Improve the effectiveness of governance, administrative and financial systems.	3.1. Strengthen integrated planning, monitoring and evaluation of municipal programs.
	3.2. Enhance organisational performance and management of municipal resources
	3.3. Improve public participation and oversight to enhance accountability

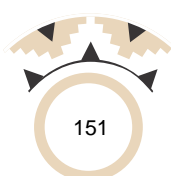
4.2 Alignment of National Outcomes

ELM supports the National Development Plan and the Eastern Cape Provincial Development Plan. Our Strategic Plan will contribute to the realization of the outcomes articulated for South Africa and Eastern Cape respectively:

National Outcomes		How Elundini will contribute to these outcomes
1	Decent employment through inclusive growth	<ul style="list-style-type: none"> • Increase agricultural, forestry and tourism products and services by 2021 • Support the development of SMME to participate in a diversified and growing economy. • Effective implementation of the Procurement Strategy
2	Skilled and capable workforce to support an inclusive growth path	<ul style="list-style-type: none"> • Support the development of SMME to participate in a diversified and growing economy.
3	An efficient, competitive and responsive economic infrastructure network	<ul style="list-style-type: none"> • Efficient construction, rehabilitation and maintenance of municipal infrastructure • Build new and rehabilitate existing child care facilities to promote early childhood development by 2021. • To increase investment through property and economic infrastructure development. • Increase productive use of land • Efficient allocation of financial resources in line with IDP and Budget. • Increase quantum of households receiving free basic services
4	Vibrant, equitable and sustainable rural communities with food security	<ul style="list-style-type: none"> • Rural job creation linked to skills development and promoting economic livelihood
5	Sustainable human settlements and improve quality of household life	<ul style="list-style-type: none"> • Improve public safety and security
6	Responsive accountable, effective and efficient local government	<ul style="list-style-type: none"> • Improve contract management and project monitoring systems. • Improve efficiencies in management of financial resources • Optimize the participation of communities in the affairs of the Municipality. • Strengthen integrated planning, monitoring and evaluation of municipal programs
7	Protect and enhance our environment assets and natural resources	<ul style="list-style-type: none"> • Provide a safe and healthy environment

4.3 The Five Year Implementation Plan

Strategic objectives and KPI meant to track progress in addressing priority issues and realizing the goals across, and within, each of the KPA over the next five years are outlined below. This information is specifically informed by existing Local, District, Provincial, and National priorities. Some of the indicators included are taken directly from the Local Government Performance Management Regulations, Schedule to the Municipal Systems Act. This information will also be included in individual performance plans thus ensuring an integrated performance management system which fosters accountability and responsiveness.





4.4 IDP FIVE YEAR PLAN – 2018 TO 2023

GOAL 1: Accelerate service delivery and infrastructure development

Table 364: Five Year IDP Project Priorities

Strategic Goal 1: Accelerate service delivery and infrastructure development		Indicators	Indicative Budget (20/21)	5 Year Target	TARGET				
Strategic objectives	Activities				2018/19	2019/20	2020/21	2021/22	2022/23
1. Efficient construction, rehabilitation and maintenance of municipal infrastructure	<ul style="list-style-type: none"> Electrification of households and provision of public lighting Construction, Upgrading and Maintenance of Electrical network Planning of Roads Infrastructure Design of Roads Infrastructure Procurement of Service Provider for construction of roads Construction and Maintenance of Roads Infrastructure Planning of Public Amenities Design of Public Amenities Procurement of Service Provider for construction of Public Amenities 	1.1.1. Number of households in electrification program connected	R 13 490 942.93	4177	507	1060	310	1 160	1 140
		1.1.2. Number of km for Link Line constructed	R 2 248 057.07	30	22	0	9	-	-
		1.1.3. Number of Street lights Installed in Maclear	R 1 082 500	400	70	50	30	50	80
		1.1.4. Number High Mast Lights installed	R 1 937 230	15	0	3	4	4	4
		1.1.5. % of street lights maintained	R 2 000 000	100%	100%	100%	100%	100%	100%
		1.1.6. % high mast lights maintained		100%	100%	100%	100%	100%	100%
		1.1.7. Number of Smart meters installed	R 4 000 000	1200	0	300	500	200	200
		1.1.8. Number of transformers in electrical network refurbished	R 1 138 827	10	2	2	2	2	2
		1.1.9. KMs of electrical network maintained	R 4 000 000	124km	28,4km	28,4km	28,4km	28,4km	28,4km
		1.1.10. Kms of paved roads constructed	R 12 984 707	40.18	7.8	9.6	3.68	9.55	9.55
		1.1.11. KMs of unpaved access roads constructed	R 8 610 589	70.92	10.57	18.7	20	10.74	10.91

Strategic Goal 1: Accelerate service delivery and infrastructure development										
Strategic objectives	Activities	Indicators	Indicative Budget (20/21)	5 Year Target	TARGET					
					2018/19	2019/20	2020/21	2021/22	2022/23	
	<ul style="list-style-type: none"> Determine locations of child care facilities. Develop business plan. Intergrade it with a 3 year plan MIG capital PCM. Procure service provider/determine implementation modality. 	1.1.12. Number of public amenities constructed	R 11 827 602	9	1	4	2	1	1	
		1.1.13. KMs of DR roads maintained under SLA	R 6 000 000	1100	220km	220km	220km	220km	220	
		1.1.14. KMs of access roads maintained under SLA		1000	200	200	200	200	200	
		1.1.15. Number of public amenities maintained	R 3 950 000	16	0	4	4	4	4	
		1.1.16. Number of bridges rehabilitated	R 6 100 000	20	4	4	4	4	4	
		2.1.1. The number of indigent households with access to free basic services	R 6 289 427	12500	10500	11000	11500	12000	12500	
2. Increase quantum of households receiving free basic services	<ul style="list-style-type: none"> Review and update municipal indigent register Encourage qualifying beneficiaries to register on the municipal indigent Register 									
3. Efficient construction, rehabilitation and maintenance of municipal infrastructure	<ul style="list-style-type: none"> 	3.1.1. Number of child care facilities built/rehabilitated (rollover 2018/19)	R 750 000	4	1	0	1	1	1	
4. To promote environmental health and safety of local communities	<ul style="list-style-type: none"> 	4.1.1 Percentage of reported fire incidents responded to	R 0	100%	100%	100%	100%	100%	100%	

Strategic Goal 1: Accelerate service delivery and infrastructure development										
Strategic objectives	Activities	Indicators	Indicative Budget (20/21)	5 Year Target	TARGET					
					2018/19	2019/20	2020/21	2021/22	2022/23	
4. Improve public safety and security	<ul style="list-style-type: none"> Construction and Maintenance of Public Amenities Conduct Road blocks Enforcement of By-laws Erection and Replacement of Road Signs, Road marking and calming measures Fire Responses and prevention measures 	4.1.2. Number of inspections relating to fire safety	R100 000	80	20	20	20	20	-	
		4.1.3. Number of Health, Safety and security related interventions implemented	R40 000	10	2	2	2	2	2	
5. Provide a safe and healthy environment	<ul style="list-style-type: none"> Refuse collection, street cleaning, litter picking and cleansing. Public Awareness and Education on environmental management Environmental Conservation Programs conducted 	5.1.2. Number of households and commercial properties with access to refuse collection services	R600 000	11 000	7558	7630	7800	7800	7800	
		5.1.3. Number of entries to Greenest Municipality Competition	R15 000	5	1	1	1	1	1	
		5.1.4. Number of land fill sites audits conducted	R450 000	5	1	1	1	1	1	
		5.1.5. Number of property development projects successfully concluded	R15m	8	3	2	2	1	-	
• To increase investment through property and economic infrastructure development	<ul style="list-style-type: none"> Development of municipal & other government owned land including maximizing the existing assets (include a commercial element 	5.1.6. Rand value of property development attracted		R450m	R 95m	R144m	R123m	R87m		

Strategic Goal 1: Accelerate service delivery and infrastructure development									
Strategic objectives	Activities	Indicators	Indicative Budget (20/21)	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2022/23
	in multi-purpose centres) <ul style="list-style-type: none"> Facilitate the establishment of government services Facilitate the improvement and densification of private owned land Asset (land & other economic infrastructure) management plan Sign Public Private Partnership agreements Workshops with various stakeholders Conduct various research, studies and analysis 	5.1.7. Rand value of capital budget for small town development		R130m	R29.5m	R39m	R34m		
		5.1.8. Number of construction jobs work opportunities created (artisans, electricians)		800	250	300	250		
		5.1.9. Number of permanent jobs created		260	50	60	70		
5.2. Increase quantum of households receiving free basic services	<ul style="list-style-type: none"> Conducting of awareness sessions to educate households Identification and registration of qualifying households 	5.2.2. Number of households receiving free basic services	R6.5m	10000	10 000	9600	9800		



GOAL 2: PROMOTE ECONOMIC GROWTH, ENVIRONMENTAL SUSTAINABILITY AND DECENT JOBS

Strategic Goal 2: Promote economic growth, environmental sustainability and creation of decent jobs		Indicators	Indicative Budget	5 Year Target	TARGET			
Strategic objectives	Activities				2018/19	2019/20	2020/21	2021/22
2.1. Increase agricultural, forestry and tourism products and services by 2021	<ul style="list-style-type: none"> Facilitate sector based enterprise development Marketing the Elundini area to investors and tourists Facilitate PPPs Host an Investment Summit Review the LED strategy Develop a Rural Development Strategy for Elundini. Commission Feasibility Studies for Industry based enterprises 	2.1.1. Number of jobs created from agriculture	R5m	15 000	2000	7000	12000	
		2.1.2. Number of tourism initiatives supported		14	2	3	3	
		2.1.3. Number of jobs created from forestry		26	26	26	26	
		2.1.4. Number of rural industry development projects implemented		3	0	1	1	
		2.1.5. Number of new direct investors attracted		8	3	2	2	
		2.1.6. Number of new indirect investors attracted indirectly through enabling environment		4	1	1	1	
2.2. Support the development of SMME to participate in a diversified and growing economy	<ul style="list-style-type: none"> Develop and implement a support program to provide entrepreneurial skills Establish business networks and provide support Form partnerships with ECDC, SEDA and other 	2.2.1. Number of SMMEs receiving development support from the municipality	R5m	450	100	150	200	
		2.2.2. % of SMMEs supported with 10 percent increase in turnover		30%	20%	25%	30%	

Strategic Goal 2: Promote economic growth, environmental sustainability and creation of decent jobs									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
<ul style="list-style-type: none"> agencies to support incubation hub within the area. Develop the knowledge base to enhance the Knowledge economy and support skills aligned to economic growth Develop and submit business plans for EPWP (Mass Job Creation & Capital Projects, etc.) To lobby partnership (FET College) on youth development. Develop and implement a model for the operationalization of Elundini Youth Centre situated in Mount Fletcher. To undertake career exhibitions. Provide support to focus groups on planning, sourcing of funding and business operations. 		2.2.3. % of infrastructure budget spent through local SMMEs		25%	25%	30%	25%		
		2.2.4. Number of EPWP work opportunities created (FTE)	17/18–R2.6 m 18/19 – R 19/20 – R	668	128	156	156		
		2.2.5. Number of Recycling Initiatives supported		11	3	4	4		
		2.2.6. Number of energy efficiency programs initiated		9	2	3	4		
		2.2.7. Number of young people (17-35 years) subjected to critical skills development programs		250	50	50	50		
		2.2.8. Number of bursaries awarded	R0	25	5	5	5		
		2.2.9. % of focus groups benefiting from the procurement strategy		15%	15%	15%	15%		

Strategic Goal 2: Promote economic growth, environmental sustainability and creation of decent jobs									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
2.3. Effective implementation of the Procurement Strategy	<ul style="list-style-type: none"> Identify and register local SMME on incubation database 	2.3.1. % of infrastructure budget spent through local SMMEs	R0	25%	25%	25%	25%		
2.4. Increase productive use of land	<ul style="list-style-type: none"> Conduct land audit Develop partnerships on communal and private land areas Review the SDF Develop land use policy Conduct Research and Studies Training & workshops Engage National Department of Public Works, BG Bison and other landowners for cemeteries and human settlement 	2.4.1. Hectares of private land available for agricultural activities	R50m	15 000ha	2000ha	7000ha	12000ha		
		2.4.2. Hectares of land zoned for commercial/industrial development		15 ha	15 hectares	5 hectares	5 Hectares		
		2.4.3. Hectares of land zoned for housing development		15 ha	8 hectares	5 hectares	5 Hectares		
		2.4.4. Number of phases undertaken towards the development of LUS & SDF	R 580 000	New	4	4	-	-	-
		2.4.5. Number of activities undertaken towards RAFI Investment initiative	R 500 000	New	3	3	-	-	-



GOAL 3: TO IMPROVE THE EFFECTIVENESS OF GOVERNANCE, ADMINISTRATIVE AND FINANCIAL SYSTEMS

Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems		Indicative Budget	5 Year Target	TARGET			
Strategic objectives	Activities	Indicators		2018/19	2019/20	2020/21	2021/22
3.1. Improve contract management and project monitoring systems.	<ul style="list-style-type: none"> Identification and procurement of suitable contract management and project monitoring system. Submission of Reports to standing committees and council Standardisation of Tender Documents and Contracts 	3.1.1. % reduction in contract queries	50%	25%	35%	45%	55%
		3.1.2. % contracts completed with quality timeframe and costs	90%	90%	90%	90%	90%
		3.1.3. % adherence to the compliance framework	100%	100%	100%	100%	100%
3.2. Improve efficiencies in management of financial resources	<ul style="list-style-type: none"> Update and continuous review of policies and procedures Timeous Compilation of compliant reports Prevention and execution of consequence management on unauthorised, irregular, fruitless & wasteful expenditure. Updated GRAP compliant FAR 	3.4.2. Liquidity Ratios	1:5:1	1:5:1	1:5:1	1:5:1	1:5:1
		3.4.2. Cost Coverage Ratio	1 month	1 month	1 month	1 month	1 month
		3.4.2. Net Debtor's Day	200 days	200 days	200 days	200 days	200 days
		3.4.2. Capital vs Total Expenditure Ratio	10%	10%	10%	10%	10%
		3.4.2. Collection Rate	95%	95%	95%	95%	95%
		3.4.2. PPE Ratio	3%	3%	3%	3%	3%
		3.4.2. Number of asset verifications conducted	10	2	2	2	2
		3.4.2. % increase in revenue generated from rates and taxes	27.6% (compound ded)	5%	5%	5%	5%

Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
3.3. Continuous monitoring of capital spending	<ul style="list-style-type: none"> Conducted feasibility study report to determine cost effectiveness of tariffs Reduction of electricity distribution losses to 15% Identify and recruit Revenue Protection Officer (Electricity) Conduct Feasibility studies 	3.4.2. % variance on capital expenditure	R0	+5%	+5%	+5%	+5%	+5%	+5
3.4. Improvement of ICT efficiency in order to support municipal objectives.	<ul style="list-style-type: none"> Develop an off - site ICT disaster recovery site. Review and implement ICT risk register. Implementation of encryption tools. To provide efficient ICT support to the institution and every ward (by 2021). Implement ICT disaster recovery plan. 	3.4.2. Number of municipal facilities with access to ICT services 3.4.3. % Network Uptime 3.4.4. % of system with latest antivirus or anti spyware signatures 3.4.5. % of remote backups per month	R1.5m	14 (60%) 95% 100%	4 95% 95% 100%	4 95% 95% 100%	2 95% 95% 100%	-	95% 95% 100%

Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
3.5. Improvement of security system to all administrative Units and facilities.	<ul style="list-style-type: none"> Develop Security Master Plan. Improve physical access controls. Install visual monitoring systems by 2021. % improvement of security systems. Improve safety and security of municipal employees and assets. 	3.6.1. % decrease in lost assets	R1.5m	75%	50%	60%	75%	90%	100%
		3.6.2. % reduction in security related incidents.		80%	50%	70%	80%	90%	100%
3.6. Enhance organisational performance in order to achieve organisational objectives.	<ul style="list-style-type: none"> Review organogram Develop an Organisation Development Strategy; Develop recruitment plans. Develop standard operation procedures. Review HR related policies. Review Human Resources Management Plan Review of Human Resources Development Strategy. Annual development and implementation of WSP. 	3.6.3. Turnaround times in responding to queries in days	R0	10 Working Days	14 Working Days	12 Working Days	10 Working Days	7 Working Days	5 Working Days
		3.6.4. Improve turnaround time in filling of vacant budgeted positions in days		70 Days	90 Days	80 Days	70 Days	60 Days	60 Days
		3.6.5. Improve turnaround time in resolving disputes in days		10 Days	20 Days	15 Days	10 Days	10 Days	10 Days
		3.6.6. Number of employees on performance agreements subjected to performance assessments.		259	30	30	259	259	259
		3.6.7. Number of employees trained		259	150	200	259	280	280



Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
	<ul style="list-style-type: none"> Number of performance agreements concluded and assessed. Performance Management Systems cascaded to all levels Review Employee Wellness Strategy Develop OHS Management systems Review OHS Risk register. 	3.6.8. Number of Councillors/Traditional Leaders trained		41	41	41	41	41	41
		3.6.9. % Reduction in OHS incidents		50%	20%	20%	40%	40%	40%
		3.6.10. % reduction in the rate of absenteeism due to occupational ill-health		20%	20%	20%	20%	20%	20%
		3.7.1. Number of committee meetings held	R0	50	10	10	10	10	10
		3.7.2. Number of council meetings held		20	4	4	4	4	4
		3.7.3. % of council resolutions implemented		100%	100%	100%	100%	100%	100%
3.7. Promote good governance by providing efficient administrative support to councillors, traditional leaders and council	<ul style="list-style-type: none"> Develop standard operation procedures. Development of schedule of resolutions. Implementation of GG on council support. 								
3.8. Optimize the participation of communities in the affairs of the Municipality.	<ul style="list-style-type: none"> Establish functional ward committees. Establish functional war rooms. Convene village based interactions with communities. Explore and implement modern technologies to 	3.8.1. Number of wards with functional committees	R10m	17	17	17	17	17	17
		3.8.2. Score in the community satisfaction survey (Index of 1-5)		2	-	-	1	-	-
		3.8.3. Number of IT-based public participation methods used		3	3	-	-	-	-



Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
3.9. Strengthen integrated planning, monitoring and evaluation of municipal programs	enhance community participation. <ul style="list-style-type: none"> Develop the institutional strategy Develop the SDBIP Review the strategy and the SDBIP Establish high level negotiation platforms with relevant departments to improve service delivery Organise Mayor's engagement sessions with key stakeholders. To develop Monitoring and evaluation framework for the institutional strategy Develop a Municipal Scorecard Conduct Municipal Performance Reviews 	3.9.1. % of targets met on the municipal scorecard	R500 000	95%		85%	90%	95%	
		3.9.2. % participation of sector departments in IDP processes		100%	100%	100%	100%	100%	100%
		3.9.3. Rating score on the COGTA IDP standard		High	High	High	High	High	High
		3.9.4. Number of ward based plans development		17	8	9	17	17	17
		3.9.5. Number of performance reviews conducted		10	2	2	2	2	2
		3.9.6. % of municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan,	R 80 million	100%	100%	100%	100%	100%	100%

Strategic Goal 3: To improve the effectiveness of governance, administrative and financial systems									
Strategic objectives	Activities	Indicators	Indicative Budget	5 Year Target	TARGET				
					2018/19	2019/20	2020/21	2021/22	2021/22
		including MIG, INEP and OTP grant							
		3.9.7. % of allocated budget for WSP spent	R 1 900 000	95%	95%	95%	95%	95%	95%
		3.9.8. The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	R 12 056 357	5	5	-	-	-	-
		3.9.9. Number of oversight strategies developed	R325 000	1	1	-	-	-	-
		3.9.10. Level of proficiency of the Internal Audit Unit (level 1 = Low, Level 2 = Medium, Level 3 = High)	R 0	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)	Level 3 (high)



E

SECTION

POLICIES, SECTOR PLANS
& STRATEGIES



5 SECTION E - POLICIES, SECTOR PLANS AND STRATEGIES

The strategic approach to the development of the ELM's integrated development plan is underpinned by policies and strategies of the national and the provincial government. The development objectives of these policies have influenced the development of the strategic direction that the Municipality has identified. The national development plan is an overarching national policy that has informed the municipal strategy formulation. The other recent and relevant developmental policies which the municipal strategy has been aligned to are National Strategic Infrastructure Projects, Millennium Development Goals, Service Delivery Agreement Outcome 9, the King IV Code and the Provincial Government Development priorities. The section will also list the sector strategies that led the strategic direction of the municipality.

5.1. National Development Plan

5.1.1. Introduction

Through previous programs (reconstruction and development program) South Africa looks different from 1994. However, there is much that looks the same. There are still short coming in the development path. There is insufficient progress in reducing poverty and inequality and unemployment. South Africa has a potential and capacity to eliminate poverty and reduce in equality over the next decade – Long term development plan. Elundini municipality should in the future have a long term development plan aligned to the National Plan. It should integrate the plans to the IDP and also promotes that people should be champion of their own development and government must work effectively to develop people's capabilities to lead the lives they desire.

The National development plan is based on:

- ✓ effective participation of South African Citizens in their own development;
- ✓ redressing of the injustice of the past effectively;
- ✓ faster economic growth and higher investment and employment;
- ✓ rising standard of education;
- ✓ a healthy population and effective social protection;
- ✓ strengthening the linkages between the social and economic strategies;
- ✓ effective capable government, collaboration between government and private sector, strong sector leadership.

5.1.2. Strategic Projects Priorities by President's Infrastructure Coordinating Commission

The ELM through the district initiatives has also aligned its strategies to the national strategic project initiatives which it could benefit from such as follows:

➤ SIP 6: INTEGRATED MUNICIPAL INFRASTRUCTURE PROJECT

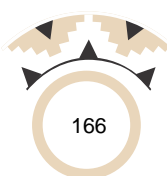
Develop national capacity to assist the 23 least resourced districts (19 million people) to address all the maintenance backlogs and upgrades required in water, electricity and sanitation bulk infrastructure. The road maintenance program will enhance service delivery capacity thereby impacting positively on the population.

➤ SIP 10: ELECTRICAL INFRASTRUCTURE

Electricity transmission and distribution for all. Expand the transmission and distribution network to address historical imbalances, provide access to electricity for all and support economic development. Align the 10-year transmission plan, the services backlog, the national broadband roll-out and the freight rail line development to leverage off regulatory approvals, supply chain and project development capacity.

➤ SIP 11: AGRO PROCESSING INFRASTRUCTURE

Investment in agricultural and rural infrastructure that supports expansion of production and employment, small-scale farming and rural development, including facilities for storage (silos, fresh-produce facilities, packing houses); transport links to main networks (rural roads, branch train-line, ports), fencing of farms, irrigation schemes to poor areas, improved R&D on rural issues (including expansion of agricultural colleges),



processing facilities (abattoirs, dairy infrastructure), aquaculture incubation schemes and rural tourism infrastructure.

➤ **SIP 18: WATER AND SANITATION INFRASTRUCTURE**

A 10-year plan to address the estimated backlog of adequate water to supply 1.4 million households and 2.1 million households to basic sanitation. The project will involve provision of sustainable supply of water to meet social needs and support economic growth. Projects will provide for new infrastructure, rehabilitation and upgrading of existing infrastructure, as well as improve management of water infrastructure.

5.2. Millennium Development Goals

The Millennium Declaration signed by world leaders of 189 countries in 2000, established 2015 as the deadline for achieving most of the millennium development goals. South Africa adopted vision 2014, which is derived directly from the United Nations Millennium Goals. Vision 2014 outlined the following:

- Reduce unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods.
- Reduce poverty by half through economic development, comprehensive social security, land reform and improved household and community assets.
- Provide the skills required by the economy, build capacity and provide resources across society to encourage self-employment with an education system that is geared for productive work, good citizenship and a caring society.
- Ensure that all South Africans, including, especially the poor and those at risk – children, youth, women, the aged and people with disabilities- are fully able to exercise their constitutional rights and enjoy the full dignity of freedom.
- Compassionate government service to the people, national, provincial and local public representatives who are accessible, and citizens who know their rights and insist on fair treatment and efficient service.
- Massively reduce cases of TB, diabetes, malnutrition and maternal deaths, and turn the tide against HIV and AIDS, and, working with the rest of Southern Africa, strive to eliminate malaria, and improve services to achieve a better national health profile and reduction of preventable causes of death, including violent crime and road accidents.
- Significantly reduce the number of serious and priority crimes as well as cases awaiting trial, with a society that actively challenges crime and corruption, and with programs that also address the social roots of criminality.
- Position South Africa strategically as an effective force in global relations, with vibrant and balanced trade and other relations with countries of the South and the North, and in an Africa that is growing, prospering and benefiting all Africans, especially the poor.

The goals consist of quantified targets to address extreme poverty in its many dimensions viz. poverty, hunger, disease, lack of adequate shelter, and exclusion whilst promoting gender equality, education, and environmental sustainability. At the same time the goals also represent basic human rights i.e. the rights of each person on the planet to health, education, shelter, and security.

5.3. Delivery Agreement: Outcome 9

The aim of Delivery Agreement: Outcome 9 is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.:

- ✓ Implement a differentiated approach to municipal financing, planning and support;
- ✓ Improve access to basic services;
- ✓ Implementation of the Community Work Program;
- ✓ Actions supportive of the human settlement outcome;
- ✓ Deepen democracy through a refined Ward Committee Model;
- ✓ Improve administrative and financial capability;
- ✓ A single window of coordination.



The outputs consist of targets, indicators and key activities which need to be achieved. The achievement of these outputs will go a long way in improving the lives of residents whilst at the same time improving the processes within government so they are able to operate more effectively and efficiently.

5.4. Other Polices and Strategies

The other policies and strategies that the ELM has aligned its strategies to are:

5.4.1. Provincial and National

- ✓ Provincial Growth and Development Strategy
- ✓ Cooperative Development Strategy
- ✓ Provincial Job Creation Strategy
- ✓ Rural Development Strategy
- ✓ Spatial Development Framework
- ✓ Investment and Promotion Strategy

5.4.2. District Municipality

- ✓ Integrated Transport Plan
- ✓ District Environmental Plan
- ✓ Water Services Development Plan
- ✓ Integrated Solid Waste Management Plan
- ✓ Disaster Management Plan
- ✓ Environmental Management Plan
- ✓ Agricultural Development Plan
- ✓ Forestry Sector Plan

5.4.3. Elundini Local Municipality

5.4.3.1. Key Sector Plans

Table 375: Compulsory sector plans to be included in IDPs

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
1	Spatial Development Framework	✓	SP&LED	Reviewed and adopted by Council in December 2018	Completed	N/A
2	Financial Plan	✓	CFO	In good standing	N/A	N/A
3	Applicable Disaster Management Plan	X	Community Services	This plan exists at a district level	ELM needs to develop its own	2020/2021
4	Integrated Transport Plan	✓	IP&D	In good standing	N/A	N/A
5	Housing Sector Plan/Strategy	✓	SP&ED	Reviewed in 2014/2015	Need to confirm whether the plan requires review or not depending on progress in the implementation of the current housing sector plan. Housing sector plan for RDP in existence. Reviewed in 2016/2017	N/A
6	Environmental Management Plan	✓	Community Services	ELM uses the District EMP of 2011.	Need to develop our own ELM plan instead of relying on the district plan. No progress yet.	2019/2020

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
7	Water Services Development Plan	✓	JGDM	This plan only exists at district level	Not applicable to ELM as the district is the water services authority	N/A
8	(Integrated) Waste Management Plan	✓	Community Services	In Good Standing	N/A	N/A
9	Public Participation Strategy/Plan (Stakeholder Engagement Strategy/Plan)	✓	MM's Office	Reviewed	Completed	N/A
10	Communication Strategy/Plan	✓	MM's Office	Recently reviewed	N/A	N/A
11	Workplace Skills Development Plan	✓	Corporate Services	In good standing 2019/2020	N/A	N/A
12	Employment Equity Plan	✓	Corporate Services	In good standing 2019/2020	2019/2020	N/A
13	Human Resources Plan	✓	Corporate Services	Requires review	Needs review	2019/2020
14	Human Resource Development Strategy	✓	Corporate Services	Requires review	Redirecting funding of talent management to HR plans and strategy	2018/2019
15	Performance Management Framework and Policy	✓	Corporate Services	Reviewed	Completed	N/A
16	Recruitment and Selection Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
17	Scarce Skills Attraction and Retention Strategy	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
18	Succession Plan Need to reconsider whether ELM needs it or not. Research further with institutions such as SALGA, etc.	X	Corporate Services	Planned to be developed together with HRD Plan and Strategy	Needs review	2019/2020
19	Occupational Health And Safety Management System	X	Corporate Services	It is not explicit in the IDP whether the plan exists or not	There is OHS draft policy. Alignment between policy and system to be reviewed.	Q4 2017/2018
20	Anti-corruption and Anti-fraud Strategy	✓	MM's Office	Requires review	Reviewed	2019/2020
21	LED Strategy	✓	SP&ED	Requires review	Reviewed	2019/2020
22	Comprehensive Infrastructure Plan • Storm-water Master Plan • 3 Year MIG Capital Plan • 3 Year INEP Capital Plan	✓	IP&D	The plan is developed and broken down into different plans	In good standing Need to be reviewed every two years (storm-water needs to be reviewed)	2020/2021

No	Sector Plans	ELM Status	Custodian	Comment	Action	Timeframes
	• 3 Year Roads Maintenance Plan				3 year roads maintenance plan under review-	
	Electricity master plan	✓	IP&D	In place	N/A	N/A
23	Delegations Framework	✓	MM's Office	Recently reviewed in 2016/2017	In good standing	N/A
	Disaster/Emergency Preparedness Plan	X	Community Services & IP&D	Need to be developed	Not in place	2020/2021
	Air Quality Management Plan	X	Community Services	Not in Place	Not in place	2020/2021

- Municipalities need to have their own plans on how to respond to their disasters, including flooding of bridges, fires,
- Policy on Trade Effluent Plan to be incorporated in the Integrated Waste Management Plan.

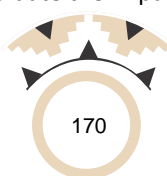
5.5. Ward-Based Plans

ELM developed ward development plans for all wards in 2017/2018 financial year and wards needed to be supported towards implementation of these plans. In 2018/2019 financial year ELM appointed RULIV as the service provider to focus on phase 1 of the implementation support which was rendered in all wards. The phase focussed on project prioritisation and packaging which included the following deliverables:-

- Facilitate project prioritization and package short-term (low-hanging fruit projects for quick implementation) and medium-long term projects
- Facilitate conversation through workshops on suitable/desired ward/community development entities to drive, and facilitate development and utilization of resources
- Package projects which are ward-specific and projects which are local-based, i.e. projects that cut across the municipality and affect more than one ward.
- Develop ward strategy implementation plans

In 2019/2020 financial year (which is the current financial year for the municipality ending 30 June 2020) ELM appointed Umhlaba Consulting for a period of 24 months to facilitate the remaining deliverables of the ward based planning process which included the following :-

- Develop concept notes and business plans for prioritized projects
- Identify projects that require feasibility studies and advise the municipality on practical steps to be taken.
- Facilitate establishment of ward/community development entities such as community trusts to facilitate development and utilization of resources
- Facilitate creation of partnerships with various institutions such as academic, funding, research, development institutions, NGOs and CBOs, etc.
- Provide capacity building to empower community development structures with necessary skills that would enable them to drive the development of the ward
- Facilitate the review of ward-based plans to update priorities and assess projects/activities already implemented or in progress
- Pilot projects for implementation, working with stakeholders and partners
- Monitor implementation progress and evaluate the impact using ward structures.





F

SECTION

PERFORMANCE MANAGEMENT SYSTEM

6 SECTION F – PERFORMANCE MANAGEMENT SYSTEM

6.1. Introduction

ELM's PMS is divided into two, i.e. institutional and individual. The institutional PMS is managed in the PMS, Monitoring & Evaluation Unit in the Office of the Municipal Manager and the individual PMS is managed in the

Corporate Services Department. The municipality has since migrated from a manual PMS System to an automated system and has cascaded performance management to lower levels until Task Grade 09. This process necessitated the review of the municipality's PMS Policy. The PMS review process has taken place and the reviewed PMS Policy has been adopted by the municipal council. ELM conducts quarterly, mid-term and annual performance reviews for all employees on performance management and performance bonuses are therefore paid to all deserving individuals. At the end of every quarter, departments and individuals on performance management system upload their reports backed by supporting evidence on the system, which are then verified and assured by the PMS Unit for correctness. After the assurance process is completed Internal Audit Unit performs its audit function before the performance reports are submitted to the Audit Committee, EXCO and Council.

In terms of the Municipal Planning and Performance Management Regulations (2001), the Performance Management System:

"entails a framework that describes and represent how the municipality's cycle and processes of performance planning, management, measurement, review, reporting and Improvement will be conducted, organised and managed including determining of roles of different role players"

Accepting this definition as contained in the Act, the ELM has reviewed and adopted its PMS Policy to drive towards the following objectives:

- To give effect to the legislative obligations of the ELM in an open, transparent and focused manner;
- To incorporate the already implemented performance management processes applicable to Section 57 Managers and how these relate to and link with the system in a holistic, institution wide, policy;
- To provide a firm foundation from which to steer the process of performance management through all phases of implementation and devolvement; and
- To link and eventually to lock the IDP, the Budget and a Performance Management System in a cycle of prioritised, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.
- The establishment of a system which translates the IDP into measurable objectives and targets;
- The institutionalisation of sound management principles ensuring effective and efficient governance of service delivery;
- Adequate provision for community consultation and the opportunity to have a clearer insight in the performance of the municipality; and
- The promotion of an accountable municipality.

6.2. Principles Governing Elundini PMS

The following principles guided and informed the process of developing the Performance Management System for Elundini Municipality:

- Simplicity
- Politically acceptable
- Transparency and accountability
- Efficiency and Sustainability
- Consultation and Community Involvement
- Incremental Implementation

6.3. Role players in ELM Performance Management System

The roles and responsibilities regarding the implementation of PMS as contained in ELM policy for PMS is discussed in the table below:



Table 386: Role of Council:

PLANNING	MONITORING		
	REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Adopts priorities and objectives of the Integrated Development Plan Adopts the municipal scorecard Establishes the oversight committee for the purpose of the annual report. 	<ul style="list-style-type: none"> Approves the annual review program of the IDP. Approves the top level SDBIP. Approves changes to the SDBIP and adjustment Budget Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality. 	<ul style="list-style-type: none"> Report the performance of the municipality to the Community at least twice a year. (through a public Report). Receives externally audited performance reports from the Executive Committee twice a year. Approves the recommendations for the improvement of the PMS. Annually receives report on the Municipal Manager and the s57 managers' performance. Submits the annual report to the MEC and Auditor General. 	<ul style="list-style-type: none"> Approves the annual Audit Plan and any substantial standards to it.

Table 397: Role of Municipal Manager:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Submits priorities and objectives of Integrated Development Plan to Council for Approval. Approves Service Delivery and Budget Implementation Plan. Enters into Performance Agreement with Municipal Manager on behalf of the Council. Assigns the responsibility for the management of the PMS to the Municipal Manager. Tables the budget and the Top level SDBIP to Council for Approval. 	<ul style="list-style-type: none"> Manages the overall implementation of the IDP. Ensures that all role players implement the provisions of the role players Ensures that the Departmental scorecards serve the strategic scorecard of the municipality. 	<ul style="list-style-type: none"> Formulation of the annual review program of the IDP, including the review of KPI's and targets for consideration by Council and Executive Mayor. Formulation of the annual performance improvement measures. Quarterly and annually reviews the performance of Departmental Managers. 	<ul style="list-style-type: none"> Receives performance reports quarterly from the internal audit unit Receives performance reports twice a year from Performance Audit Committee. Submits annual report of the municipality to Council. 	<ul style="list-style-type: none"> Formulates response to the performance audit report the Auditor General and makes recommendations to the executive mayor.

Table 408: Role of S57 Managers:

PLANNING	IMPLEMENTATION	MONITORING		
		REVIEW	REPORTING	PERFORMANCE ASSESSMENT
<ul style="list-style-type: none"> Participate in the identification of IDP priorities and the whole IDP. Process. Participate in the Formulation and Revision of the municipal strategic scorecard. Participate in the formulation of the Top level SDBIP. Manages Subordinates performance measurement system. Enters into a performance agreement with the Municipal Manager. Reports quarterly to Municipal Manager. 	<ul style="list-style-type: none"> Manages the implementation of the SDBIP. Ensures that the annual programs are implemented according to the targets and timeframes agreed to. Implements performance improvement measures approved by the Executive Committee. Ensures that performance objectives in the performance agreements are achieved. 	<ul style="list-style-type: none"> Participates in the Formulation of the annual review of the KPI and targets. Annually reviews the performance of the department to improve the economy, efficiency and effectiveness of the departments. Quarterly and annually evaluates the performance of the department Participates in Mid – Term Review. 	<ul style="list-style-type: none"> Submit quarterly departmental performance reports. 	<ul style="list-style-type: none"> Participates in the formulation of the response to the performance audit report of the Auditor-General and makes recommendations to the municipal manager. Participates in the formulation of the response to the recommendations of the internal auditor and PAC.

Table 419: Role of the Audit Committee:

PLANNING	MONITORING	
	REVIEW	REPORTING
<ul style="list-style-type: none"> Participates in the formulation of the annual audit plan. 	<ul style="list-style-type: none"> Review quarterly reports from the internal auditors. 	<ul style="list-style-type: none"> Reports twice a year to the Municipal Council.

The ELM does not have a separate Performance Audit Committee, institutional performance information is reviewed by the Internal Audit Unit and then submitted to the Audit Committee on a quarterly basis.

The KPIs and Targets of the S.57 managers was an essential first step in the implementation of performance management and laid the foundation for the devolvement of the KPIs and Targets process of the system down to the next level of management and thereafter to the entire workforce.

6.4. Performance Agreements with Sectional Heads

- Legislation places no obligation on a municipality to enter into performance agreements with sectional heads. However, the Council recognises such agreements as a logical further step to cement the PMS in the administrative executive component of the Municipality provided these agreements are in accordance with applicable legislation.

Culture and Work Situation

The ELM is committed to establish and maintain a culture and work situation conducive for the implementation and maintenance of a performance management system including regular performance appraisals and establishing a factual foundation for the system. The activities to be embarked on will, of necessity, be running concurrently with actual monitoring and measuring of performance and will include the following:



- ✓ To introduce the performance management system via an internal brief prepared by the Management Team, having consulted the Local Labour Forum (in its PMS Subcommittee should this be established) and approved by the Council.
- ✓ The brief will be circulated to all departments and employees via formal communication channels.
- ✓ The brief will inter alia explain the legislative obligations underlying the system, the process to be followed and the principles that will be adhered to by the Council.
- ✓ The system will be regularly reviewed and, in doing so, employee evaluations and constructive suggestions will, where possible, be incorporated to ensure the system is organisation-specific while adhering to the legislative framework.
- ✓ Amendments to the system will be communicated to departments and employees in the same manner as outlined above.
- ✓ To establish and maintain a factual basis for the performance appraisals, the job analysis of each position in the Municipality will be regularly updated with respect to line functional activities and linked to the relevant department's objectives and targets as derived from the IDP.
- ✓ Based thereon, the appraisers and appraisees will determine mutually agreed to performance criteria, based on a format designed and approved by the Corporate Services Department for standardisation and equality purposes.

The annual process of managing performance at organizational level in ELM involves the steps as set out in the diagram overleaf:



Figure 6: PMS

6.5. Planning for performance

The process of compiling an IDP and the annual review thereof constitutes the process of planning for performance.

6.5.1. Setting Key Performance Indicators

Many of the key performance indicators are prescribed in Section 10 of the Regulations and in terms of Section 43 of the Municipal systems Act. These are listed as:

- The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal;
- The percentage of households earning less than R1100 per month with access to basic free services;
- The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's IDP;
- The number of jobs created through municipality's LED initiatives including Capital projects;



- The number of people from employment equity target groups employed in three highest levels of management in compliance with an approved employment equity plan;
- The percentage of a municipality's budget actually spent on implementing its workplace skills plan;
- Financial viability.

6.6. Alignment of the PMS to the IDP and Budget

The IDP fulfils the planning stage of Performance Management, which in turn fulfils the implementation, management, of IDPs. The last component of the cycle of OPMS is review, and the outcome of the performance review process must inform the next cycle of the IDP compilation/review. There are several components to the integration of the PMS.

PMS determines the visions of the municipality as well as its IDP priorities, objectives, performance management and budget, Council's priorities and objectives. They are based on community needs, the Constitutional mandate of Local Government, national legislation and the general KPIs within the framework of powers and functions of ELM. The Regulations for Municipal Managers and Managers directly accountable to the Municipal Managers (2006) 26(6) outlines five Key Performance Areas for Municipal Manager and the S57 Managers and these are as follows:

- ✓ Basic Service Delivery
- ✓ Municipal Transformation and Institutional Development
- ✓ Local Economic Development
- ✓ Municipal Financial Viability and Management; and
- ✓ Good Governance and Public Participation

The KPA's of the Elundini Municipality IDP 2014/2015 is being reviewed and will be aligned accordingly.

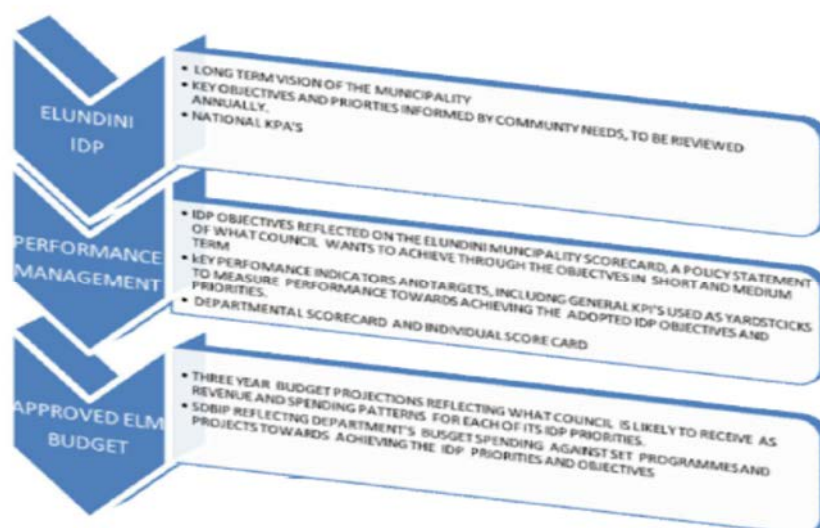


Figure 7: Linkage between IDP Budget & PMS

6.7. Tracking and Reporting Progress

- Since the municipality has migrated for the manual performance management system to an automated one, the Office of Municipal Manager through its PMS, Monitoring & Evaluation Unit, verifies the performance reports submitted by departments and develops quarterly reports which it submits to the Internal Audit Unit to perform audit of performance information and then submits them to the municipal manager, Audit Committee, Standing Committee, EXCO and eventually the municipal council.
- The Internal Auditors provide quarterly audit reports to the Municipal Manager and the Performance Audit Committee.
- The Audit Committee convenes at least four times per annum and four audit committee reports are submitted to the Council. These reports must include enough details so that early warning signals of

underperformance can be detected. The reports must also indicate corrective measures where such under-performance has been identified.

- The Municipal Manager oversees the compilation of an annual performance report to the Council, which report is then also submitted to the Auditor General.
- Within one month of receiving the AG's audit report on the Performance Information and the Audited Financial Statements of the previous financial year, the Municipal Manager must submit to the Council a consolidated Annual Report for adoption. The media, community, AG and MEC must be informed of the meetings at which this report will be tabled. The minutes of the meeting/s should be provided to the Auditor General and the MEC. The adopted annual report must be made available to the media, public and interested parties and submitted to the MEC.

The Consolidated Annual Report to include:

- ❖ The Performance Report reflecting the:
 - ✓ Performance of the Municipality and any service provider based on the KPIs and specifying the extent to which targets were achieved;
 - ✓ Measurements taken or to be taken to improve performance;
 - ✓ Development and service delivery priorities and targets set for the following year and reasons for significant differences in these targets from the one to the other year;
 - ✓ A statement by the external auditor concerning the reasonableness of the report.
- ❖ Audited financial statements for the year
- ❖ Annual audit of the Auditor General on the PMS report
- ❖ Any other legislated matters for reporting.

6.8. Publication of Performance Reports

- ❖ The ELM publishes at least once a year a public report on its performance in terms of the MSA, 2000.
- ❖ Existing Public Participation Structures and mechanism for ELM which will be used include:
 - ✓ IDP Rep Forum
 - ✓ Youth & Women Groups
 - ✓ Disability Groups
 - ✓ Local Newspaper
 - ✓ Audio Media / Loud Hailers
 - ✓ Public Notices
 - ✓ Municipal Website

6.9. Public Feedback Mechanisms

The public Feedback on reported performance can be obtained if the public are aware of dedicated mechanisms for submitting feedback such as:

- ✓ Telephone numbers (toll free)
- ✓ Fax lines
- ✓ Emails
- ✓ Feedback boxes at Municipal Services offices

The Elundini will develop a comprehensive Communications strategy to among other things propose public feedback mechanism and structures for ELM. Upon its adoption this section will be read together with that policy and or strategy.

6.10. Performance Reviews and Assessments

Performance review is a process whereby the municipality, after measuring its own performance, assesses whether it is doing the right things and doing them right. The municipality is required to identify strengths, weaknesses, opportunities and threats of the municipality in meeting the key performance indicators and performance targets set by it. The Municipal Manager utilises Institutional Scorecard as a basis for reporting to the Mayor, Council and most importantly to the Public through quarterly reports, Mid-Year assessments, Annual Report and performance assessment.

The review framework for Elundini Municipality is conducted based on the following:

- ❖ Baseline Indicators – this entails assessing whether the current level of performance is better than the previous year by using baseline indicators.
- ❖ Community Feedback – survey to obtain feedback from the community about their views of the performance of the municipality in one PMS cycle.
- ❖ Performance Review in ELM will take place annually at least a month after all Performance Information (PI) has been audited and Auditor Report issued on PI.
- ❖ In the review process, a careful analysis of the municipality performance will be done in order to understand why it has performed well or underperformed in that particular financial year.
- ❖ The results of the review will be used to develop measures to improve performance and inform the planning stage of the following years' institutional scorecards and annual programs.
- ❖ The lines of accountability with regard to Performance Review can be summarized as follows:
 - ✓ Managers/Sectional Heads will review performance of their respective functions or sections on a regular basis and should cover all the organisational priorities relevant to the function or section
 - ✓ Executive Management:
 - Review performance quarterly to minimise risks and poor performance.
 - Review performance before reporting to the Executive Committee. This will enable them to prepare and control the quality of performance reports and include adequate response strategies in cases of poor performance.
 - ✓ Executive Committee: As the delegated authority for the management of development of the performance management system in terms of the Act, the Executive Committee plays a most significant role in reviewing the performance of the administration. Review at this level should be strategic and not restrained by operational discussions. The content of the review should be confined to agreed or confirmed priority areas and objectives.
 - ✓ Standing or Portfolio Committees need to review the performance of functions or sections according to their assigned portfolios on a regular basis, i.e. quarterly.
 - ✓ Council should review the performance of the municipal council, its committees and the administration at least twice per year.
 - ✓ The public: It is required by the Act and the Regulations published in accordance therewith, that the municipality secure community participation in the review process. This could ideally be done when the annual report is compiled at the end of the financial year.

6.11. Monitoring and Measurement Framework

Monitoring is a continuous process of measuring, assessing and analysing and evaluating the performance with regard to the SDBIP, KPI's and targets. Performance measurement is essentially the process of analysing the data provided by the monitoring system in order to assess performance. The preferred and adopted model for Performance Management in Elundini Municipality is the Municipal Scorecard Model.

According to this model, in measuring performance municipalities need to look at:

- ❖ Inputs: (Resources, Financial Perspective)
- ❖ Outputs: (Results, Service Delivery Perspective)
- ❖ Outcomes: (Impact, Customer satisfaction, growth, Quality of Life)



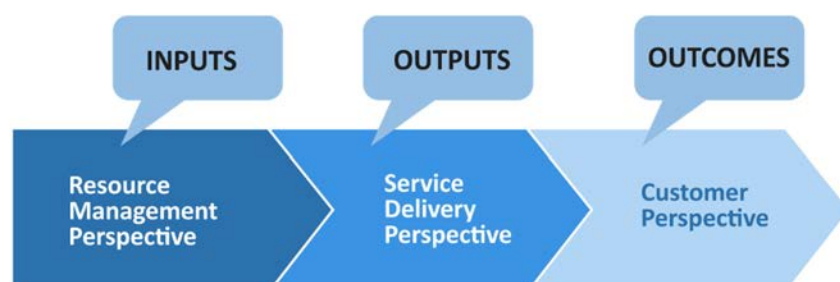


Figure 8: Governance Process and Public Participation

6.11.1. Performance Audit

The Municipal Planning and Performance Management Regulations, 2001, require municipalities to develop and implement mechanisms, systems and processes for auditing results of performance measurements as part of its auditing processes:

- ❖ Internal Auditors audit on a continuous basis which will result in quarterly reports being submitted to the Municipal Manager;
- ❖ Audit Committee receives quarterly reports from the Internal Auditors which it reviews together with PMS's economy, efficiency, effectiveness and impact based on the KPI's and Targets;
- ❖ The Audit Committee must submit at least two audit reports to the Council in a financial year.

6.11.2. Evaluation

- ❖ In terms of the adopted PMS, the Municipal Manager evaluates the quarterly performance reports from the S.57 Managers and use them to inform the steps to be taken to improve performance to meet annual targets and to intervene in case of red flag situations.
- ❖ The Municipal Manager must submit a consolidated quarterly report to the Internal Auditors. The Auditors must evaluate these reports together with other information obtained through their auditing obligations and in turn must provide the Municipal Manager with quarterly Audit Reports.
- ❖ The Municipal Manager then submits such reports as prescribed to the Council including a consolidated annual report for adoption by the Council.
- ❖ The Council must assess the performance of the Municipal Manager and S.57 Managers during June/July of each year with the assistance of an independent facilitator as further detailed in their performance agreements.
- ❖ The S.57 Managers must evaluate the quarterly performance reports from the Sectional Heads and use these to inform their own quarterly reports to the Municipal Manager.

6.12. Employee Performance Appraisal

- The performance appraisal of the Managers/ Sectional Heads will be the responsibility of the S.57 Managers with the assistance of an independent facilitator.
- These appraisals will be done on an annual basis as further detailed in the performance agreements of Managers and Sectional Heads prior to the Council's appraisal of the S.57 Managers.
- The S.57 Managers and Managers must ensure performance appraisal interviews are done on a regular basis by the appraisers within their respective departments/sections as further set out below, co-ordinate the results thereof and through their own quarterly reports report on the progress with implementation of the system, successes and failures thereof and problems experienced.
- Managers will be responsible for the performance interviews with their respective middle management employees.
- The first round of assessments executed for middle management staff could be done with the assistance of an independent facilitator should the staff so prefer.
- Thereafter the option of requesting a co-appraiser to be present at their interviews will be available to these employees.
- The appraisals of lower level employees must be carried out by their immediate supervisor or line manager who has the best knowledge of the content of the job concerned and in a position to observe the employee's performance on a daily basis.

- If no suitable supervisor or line manager is available to do the performance appraisal, the head of the section must take responsibility for the performance appraisal.
- If an employee is of the opinion that exceptional circumstances exist which requires a co-appraiser to be present at the appraisal interview, the matter must be taken up with the relevant S.57 Manager. In such circumstances the S.57 Manager or the S.57 Manager of the CSD could also fulfil the role of a co-appraiser.
- The first formal performance appraisals of a staff level will take place three months after introduction of the system to such a staff level and thereafter on an annual basis.
- The steps to be taken to rectify substandard performance or enable continued support, coaching and counselling based on the results of the performance appraisals will be implemented on a continuous basis determined by the circumstances of each individual case. These performance meetings must be of a more informal nature but still recorded in writing.
- The time and place of annual interviews must be mutually agreed between the appraiser and appraisee. An employee must not be given less than two weeks to prepare for the appraisal interview. The time allowed for the actual interview will vary according to the complexity of the job and each individual's circumstances.
- The place where a performance interview is conducted must be comfortable for both the appraiser and the appraisee and care must be taken that the place is quiet, no interruptions will occur during the duration of the interview and confidentiality is protected.
- Written feedback on the annual performance appraisal must be given to an employee within a reasonable period after the performance interview. A reasonable period would not exceed four weeks.

6.13. Performance Improvement

Although the municipality should strive to continuously improve performance to meet the needs of communities, it is poor performance that needs to be addressed as a matter of priority:

- The Council must advise the Municipal Manager on steps to be taken to improve performance based on the Auditor General's assessment. The IDP review process must provide a barometer of how well the Municipality performed in terms of service delivery and, if as prescribed, the community is provided with the Consolidated KPIs and Targets document, the latter could serve to inform the community's input in the review process.
- The training needs of staff, originating from their performance appraisals shall be fed into the Workplace Skills Plan and addressed by the sourcing of relevant providers and training courses to largely address the internal capacity shortcomings of the Municipality.

6.14. Performance Incentives and Rewards

- The municipality has reviewed its performance management system in 2018 to accommodate the performance rewards to the deserving lower level staff.
- The performance reward system of the Municipal Manager and the S.57 Managers is built into their contracts of employment and performance agreements as prescribed by the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006.
- The Council adopted the Rewards and Incentives Policy and this policy necessitates the existence of performance agreements with employees who may benefit from such a policy.

6.15. Institutional Scorecard 2020/2021

Below is the draft municipal scorecards (top layer SDBIP for 2020/2021 financial year) linked to the IDP:

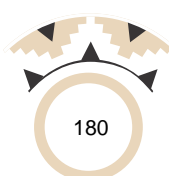


Table 60: SDBIP 2020 -2021

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE													
Goal(s) 1: Accelerate service delivery and infrastructure development													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
ELECTRICITY SECTION													
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of households in electrification programme connected	KPI	R 13,490,943	23737		310	Finalising designs	Contractor establishes site	Digging trenches, planting poles	310	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of km for Link Line constructed	KPI	R 2,248,057	0		9km	Finalising designs	Contractor establishes site	Digging trenches, planting poles	9km	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of Street lights installed	KPI	R 0	100		30	Establish site, Trenching	Cabling	Fitting and mounting on poles	30	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	Number of High Mast lights installed	KPI	R 1,244,875	100		4	Establish site, Trenching	Cabling	Fitting and mounting on poles	4	Progress Report, Completion certificate and Expenditure Report	Manager: Electricity	SCM

KEY PERFORMANCE AREA (KPA) 1: BASIC SERVICE DELIVERY AND INFRASTRUCTURE													
Goal(s) 1: Accelerate service delivery and infrastructure development													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
1.1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of paved roads constructed	KPI	R 10,195,483	32.57		2.9km	Base Course Layers	Priming surface	Surfacing of roads	Completing 2.9km of surfacing	Monthly progress reports , Completion of Certificates	PMU Manager	SCM; M&E
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of unpaved access roads constructed	KPI	R 22,799,417	525		38km	Construction of bridge, Wearing course	12,1km	N/A	N/A	Monthly progress reports , Completion Certificates	PMU Manager	SCM; M&E
							Wearing course	7,1km	N/A	N/A			
							Wearing course	13km	N/A	N/A			
							Appointment of a contractor	Clearing and grubbing	Road bed formation, tipping	1,9km			
							Appointment of a contractor	Clearing and grubbing	Road bed formation, tipping	4.32km			
1.1 Efficient construction, rehabilitation and maintenance of municipal infrastructure	KMs of access roads maintained under SLA	KPI		156		150	40	40	40	30	Maintenance Report	Buildings and Civil Manager	SCM

KEY PERFORMANCE AREA (KPA) 2: LOCAL ECONOMIC DEVELOPMENT													
Goal(s) 2: Promote Sustainable economic growth and creation of decent jobs													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
2.4 Promote creation of EPWP work employment opportunities and decent jobs	Number of EPWP work opportunities created	KPI	R 0	411		250	75	75	50	50	Employment Contract register	PMU Manager	
2.1 Increase mining, agricultural, forestry and tourism products and services	Number of hectares made available for the RAFI program	KPI	R 500,000	1		2	Social facilitation	1000 hectares	1500	2000	RAFI social mobilisation report signed off by Director	Manager Property and Economic Development	
2.3 To increase investment through land and socio-economic infrastructure development	Rand value of property development attracted	KPI	R 25m	R95m		25 M	Sketches drawn	Title deeds	Appointment of the developer	25M	Projects Report signed by the Director	Manager Property and Economic Development	
2.2. Support the development of SMME to participate in a diversified and growing economy	Number of local contractors in construction to graduate to the next grade (cumulative)	KPI	IP&D Budget	9		10	N/A	N/A	N/A	10	CIDB report	Manager: LED	

KEY PERFORMANCE AREA (KPA) 3 :FINANCIAL MANAGEMENT AND VIABILITY													
Goal 3: To improve the effectiveness of governance, administrative and financial systems													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
3.2 Enhance organisational performance and management of municipal resources	% expenditure on all infrastructure grants	PI	65 Million	100%		100%	10%	40%	65%	100%	Expenditure Reports	Finance Manager Projects	N/A
Increase quantum of households receiving free basic services	Number of indigent households with access to free basic services	NKPI	R 6,289,427	13000		14000	14000	14000	14000	14000	Summary pages of the Indigents Register	Manager - Income & Expenditure	N/A
Enhance organisational performance and financial management of municipal resources	Current Ratio	NKPI	R 0	1.5:1		1.5:1	1.5:1	1.5:1	1.5:1	1.5:1	Section 52d Report	Manager - Budget & Reporting	N/A
Strengthen integrated planning, monitoring and evaluation of municipal programmes.	% of contracts for capital projects monitored against a set criteria	KPI	R 0	Currently undertaken		100%	100%	100%	100%	100%	Minutes of the progress meetings, attendance registers and vendors performance monitoring report signed by HoD	Manager - Supply Chain	Director: IP&D

KEY PERFORMANCE AREA (KPA) 4 : MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT														
Goal 4: To improve the effectiveness of governance, administrative and financial systems														
Strategic Objective	Indicator	Indicator Type	Indicator Type					Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role
			Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021								
3.2 Enhance organisational performance and management of municipal resources	% of quarterly review of employees on performance agreements	PI	R 0	0		100%	100%	100%	100%	100%	Performance Assessment Results	Senior Manager: Strategic Support Services	N/A	
3.2 Enhance organisational performance and management of municipal resources	% of employees between Task Grade 12 - 18 subjected to skills audit.	KPI		49		100%	N/A	25%	50%	100%	Skills audit report signed off by Director Corporate Services; List of Employees between TASK Grade 12 and 18.	Manager Human Resources & Development		

KEY PERFORMANCE AREA (KPA) 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION													
Goal(s) 3: To improve the effectiveness of governance administrative and financial systems													
Strategic Objective	Indicator	Indicator Type	Budget Allocation 2020/2021	Baseline	Spatial Reference	Annual Target 2020/2021	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Means of Verification	Custodian	Internal Role Players
							100%	100%	100%	100%			
3.1 Strengthen integrated planning, monitoring and evaluation of municipal programmes	% of Audit Committee resolutions implemented	KPI	R 0	100%		100%	100%	100%	100%	100%	Report on the implementation of Council resolution. Resolution Register	Senior Manager: Strategic Support Services	Corporate Services

G

SECTION

PROJECT LIST





SECTION G – PROJECTS LIST

7 MIG THREE YEAR CAPITAL IMPLEMENTATION PLAN										MTEF ALLOCATIONS: 2019/20 - 2021/22			
NO	PROJECT NAME	WARD NO	EXTENT OF WORKS	STATUS	PROJECT VALUE	REGISTRATION STATUS (YES/NO)	FUNDER	2020/2021	2021/2022	2022/2023			
1	Project Management Unit	-	-		-		MIG	R 1 935 150,00	R 2 093 100,00	R 44 174 000,00			
2	Upgrading of Sonwabile Streets - Phase 2	3	2.2km	Construction	R 9 133 672,66	Yes	MIG	7 295 998					
3	Construction of T83 to Platana Access Road & Bridge	4	1	Construction	R 4 485 000,00	Yes	MIG	R 410 921,72					
4	T83 to Upper Tsitsana Access Road	4	12.02km	Construction	R 7 424 724,90	Yes	MIG	R 3 293 908,07					
5	Koebong Access Road	13	7.1km	Construction	R 6 246 225,00	Yes	MIG	R 3 907 230,43					
6	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 1	3	3.99km	Design	R 31 527 721,71	Yes	MIG	R 6 783 861,50	R 11 349 743,85	R 11 349 743,85			
7	Upgrading & Rehabilitation of Maclear Roads (Cluster 1 Roads) - Phase 2												
8	Construction of Lehlakaneng Access Road	12	1.9km	Design	R 3 692 520,07	Yes	MIG	R 3 692 520,07					
9	Lower Sithana	5	4.32km	Design	R 7 177 953,49	Yes	MIG	R 4 275 044,00	R 2 902 909,49				
10	Construction of Castle Rock Access Road & Bridge	8	2km	Design	R 6 865 088,88	No	MIG		R 6 865 088,88				
11	Construction of Phumolong/Mabambeni Pre-school	8	1 Unit	Design	R 2 849 586,48	Yes	MIG	R 2 494 586,00	R 355 000,48				
12	Construction of Skote Community Hall for ward 10	10	1 Unit	Design	R 5 000 000,00	Yes	MIG	R 3 670 000,00	R 1 330 000,00				
13	Construction of Refele Sport Field	14	1 Unit	Design	R 20 779 792,97	Yes	MIG	R 943 780,50	R 4 908 358,35	R 10 641 656,41			
14	Mount Fletcher Streets and Stormwater (Nkululekweni)	9	4.5km	Planning	R 4 708 212,47	No	MIG		R 4 708 212,47				
15	Construction of Lower Tsitsana ECDC	4	1 Unit	Planning	R 2 849 586,48	No	MIG		R 2 849 586,48				

7 MIG THREE YEAR CAPITAL IMPLEMENTATION PLAN										MTEF ALLOCATIONS: 2019/20 - 2021/22		
NO	PROJECT NAME	WARD NO	EXTENT OF WORKS	STATUS	PROJECT VALUE	REGISTRATION STATUS (YES/NO)	FUNDER	2020/2021	2021/2022	2022/2023		
								R 38 703 000,00	R 41 862 000,00	R 44 174 000,00		
16	Construction of Mdeni Community Hall for ward 16	16	1 Unit	Planning	R 5 500 000,00	No	MIG		R 4 500 000,00	R 1 000 000,00		
17	Thutshing Access Road	14	TBC	Planning	TBC	No	MIG			R 5 286 487,78		
18	Seqobong Access Road and Causeway	13	TBC	Planning	TBC	No	MIG			R 6 320 504,00		
19	Surfacing of Ugie Streets & Stormwater	2	TBC	require business plan	TBC	No	MIG			R 1 250 951,00		
20	Surfacing of Greenfields Streets & Stormwater	17	TBC	require business plan	TBC	No	MIG			R 1 749 086,00		
21	Community Hall for ward 14	14	1 Unit	Require Business Plan	TBC	No	MIG			R 4 366 870,96		
22	Construction of Xaxazana Sport Field	10	TBC	Require Business Plan	TBC	No	MIG					
23	Construction of Chevy Chase Access Road	16	TBC	require business plan	TBC	No	MIG					
24	Tembeni housing project: infrastructure	9	TBC	require business plan	TBC	No	MIG					
25	Community Hall for ward 12 at Kinira Poort	12	1 Unit	Require Business Plan	TBC	No	MIG					
26	Community Hall for ward 05	5	1 Unit	Require Business Plan	TBC	No	MIG					
27	Community Hall for ward 06	6	1 Unit	Require Business Plan	TBC	No	MIG					
28	Community Hall for ward 08	8	1 Unit	Require Business Plan	TBC	No	MIG					
29	Community Hall for ward 11	11	1 Unit	Require Business Plan	TBC	No	MIG					
30	Community Hall for ward 13	13	1 Unit	Require Business Plan	TBC	No	MIG					
31	Community Hall for ward 14	14	1 Unit	Require Business Plan	TBC	No	MIG					
32	Community Hall for ward 15	15	1 Unit	Require Business Plan	TBC	No	MIG					
TOTAL FOR MIG PROJECTS								R 38 703 000,00	R 41 862 000,00	R 44 174 000,00		

7.1 2020 – 2021 INEP Plan

INEP IMPLEMENTATION PLAN 2020/2021

WARD	VILLAGE NAME	NUMBER OF CONNECTIONS	BULK LINK LINE	COST PER CONNECTION	TOTAL CAPITAL REQUIRED FOR THE PROJECT
13	Tabase	114 connections and Associated MV&LV infrastructure		R 39 509,63	5 689 386,03
8	Moreneng	188 connections and Associated MV&LV infrastructure		R 30 692,03	R5 094 876,90
13	Bakoena 10 SP		9km	R249 784,12	R2 248 057,07
Various	Pre-engineering				1 124 340,00
Various	Monitoring				1 124 340,00
Various	Eskom and professional fees				R458 000,00
				TOTAL	15 739 000,00

INEP IMPLEMENTATION PLAN 2021/2022

WARD	VILLAGE NAME	NUMBER OF CONNECTIONS	BULK LINK LINE	TOTAL CAPITAL REQUIRED FOR THE PROJECT
13	Koebong	290 connections and Associated MV&LV infrastructure		28 896,55
11	Tabase	98 connections and Associated MV&LV infrastructure		28 055,18
8	Nkobongo Phase	172 connections and Associated MV&LV infrastructure		36 384,72
8	Nkobongo Linkline		10km	240 000,00
Various	Pre-engineering	2022/2023 financial year		1 212 420,00
			TOTAL	21 000 000,00



INEP IMPLEMENTATION PLAN 2022/2023

WARD	VILLAGE NAME	NUMBER OF CONNECTIONS	BULK LINK LINE	TOTAL CAPITAL REQUIRED FOR THE PROJECT
16	Ketekete	280 connections and Associated MV&LV infrastructure	22 000,00	6 160 000,00
8	Pitoli	172 connections and Associated MV&LV infrastructure	33 000,00	3 960 000,00
8	Ward 14 Linkline	13 Km of link line	13km	3 120 000,00
14	Thabakhobedu	95 connections and Associated MV&LV infrastructure	51 479,79	4 890 580,00
Various	Pre-engineering	2023/2024 financial year		1 369 420,00
			TOTAL	19 500 000,00

7.2 OTP 3 YEAR IMPLEMENTATION PLAN: INFRASTRUCTURE PRIORITIES (2020-2023 FINANCIAL YEAR)

PROJECT NAME	PROJECT DESCRIPTION	PROJECT PHASE	LOCATION	BUDGET STATUS	2020/21	2021/22	2022/23
Construction Monitoring and Detailed Designs for Roads, Storm water and Street Lighting		Phase 1	Mt Fletcher - Ward 9	6 361 810,60			
Construction of Streets - Hillgate Roads, Road 1, Road 2 Road 3, Municipal Road and street lighting	Construction of 5.7km of Surface Streets and street lighting for Hillgate and Repairs of streetlight for main Road, Municipal Road and Road 2	Phase 1	Mt Fletcher - Ward 9	42 151 958,90	2 955 322,69		
Completion of Mt Fletcher Taxi Rank – Additional items for completion	Construction of Septic Tank, Fencing – Clear VU, Gabion and Supply & Installation of furniture	Phase 1 - Taxi Rank & phase 2 - Fencing	Mt Fletcher - Ward 9	2 358 698,76	1 151 308,36		
Supply, Delivery and Installation of Equipment for Brick and Paving Production	Supply and Delivery of Brick and Paving Production	Phase 1	Mt Fletcher - Ward 9	1 927 465,23			

PROJECT NAME	PROJECT DESCRIPTION	PROJECT PHASE	LOCATION	BUDGET STATUS	2020/21	2021/22	2022/23
Construction of Vehicle Testing Station	Construction of Vehicle Testing Station, Civil and Building Works	Phase 1 - Civils work earthwork Phase 2 - Building works	Mt Fletcher - Ward 9	13 083 874,52	6 668 096,75		
Supply and Installation of Sewer Package Plant	Refurbishment of sewer ponds and Supply & Installation of Sewer Package Plant	Phase 1 - Purchase sewer Plant - Phase 2 - Installation of Sewer Package Plant	Mt Fletcher - Ward 9	10 268 514,04	3 746 272,20		
Design of Water and sanitation Network for the Mount Fletcher Town	Construction of Sewer reticulation and Water Reticulation with 1.5ML Reservoir	Phase 1 - Design, Phase 2 - Construction of Water and Sanitation	Mt Fletcher - Ward 9	42 609 798,76		28 400 000,00	12 609 798,76
			TOTAL	118 762 120,81	14 521 000,00	28 400 000,00	12 609 798,76

7.3 Provincial Allocations per DORA

7.3.1 Indicative National Grants Allocation as Per DORA

Table 61: Indicative National Allocation as Per DORA

Grants	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EQUITABLE SHARE	Direct	138 382	149 117	160 009
Energy Efficiency and Demand Side Management Grant	Direct	5 000	8 000	5 000
Local Government Financial Management Grant	Direct	1 700	1 700	1700
Expanded Public Works Programs Integrated Grant for Municipalities	Direct	1 777	0	0
Municipal Infrastructure Grant	Direct	38 207	38 948	38 703
Integrated National Electrification Program Grant (Municipal)	Direct	25 636	19 200	15 739
Integrated National Electrification Program Grant (Eskom)	Indirect	56 672	46761	45 063
TOTAL		267 374	263 726	266 214

7.3.2 Provincial Indicative Allocation

Table 62: Provincial Indicative Allocation

GRANTS	Direct/Indirect	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Small Town Revitalization Grant	Direct	29 588	20 305	14 521
Small Town Revitalization Program – Wool Shearing Sheds	Direct	500	0	0
Library Subsidies	Direct	750	838	884
TOTAL		30 838	21 143	15 05

7.4 Planned projects by the Department of Human Settlements

Table 63: Human Settlement Projects under consideration

PROJECT NAME	ALLOCATED BUDGET	STATUS
Ugie 1456, 664 & 250 (Ward 2 & 17)	R 0	<ul style="list-style-type: none"> MEC priority to curb huge unoccupied houses. (Constructed in the 2002/03 FY); ELM conducted 3 months advert, Report is pending ELM has not yet issued a report on the Ugie process Plan
Popcorn Valley	R 0	<ul style="list-style-type: none"> Area declared as wetland; Elundini was requested to identify alternative Serviced Land

Table 424: Human Settlement Running Projects

PROJECT	PROGRESS	CHALLENGES	INTERVENTION
Sinxako 486 (Tamandla Cifu Construction) Ward 6	Slabs - 131 Walls – 104 Roofs – 96 Finishes - 87 Completions – 87 Budget =R 14 772 000.00 Expenditure R 6 586 853.00	<ul style="list-style-type: none"> • Vastness of sites that are in Rural Villages delays the project. • Poor resources of the project • Inclement weather 	SP advised to beef up is capacity More sub-contractors are to be appointed by the service provider Contractor has submitted an extension request. HOD approved 7 months extension
Joe Gqabi 500-Emergency (20 subs Phase 3) Elundini Ward 5, 6, 14	Slabs - 0 Walls - 0 Roofs - 0 Completions – 0 Budget =R 3 482 316.40 Expenditure= R 0	Delays with the enrollment of the project as NHBRC introduced new standards	<ul style="list-style-type: none"> • The Regional Office engage NHBRC to clarify issues Consensus reached. • Contractor expected to start in April 2020

Table 435: Elundini Blocked Projects from Human Settlement

PROJECT	PROGRESS	CHALLENGES	INTERVENTION
Mount Fletcher – Enkululekweni 707 (Ward 15)	105 approved beneficiaries to date.	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Katlehong 303 (Ward 9)	225 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM
Mount Fletcher – Isolomzi 250 (Ward 9)	81 approved beneficiaries to date	<ul style="list-style-type: none"> ✓ Mix of low and high income household on the project location (in-situ) ✓ Land Invasion 	<ul style="list-style-type: none"> ✓ Project is proposed to be part of Ethembeni 1164/2400 ✓ Require alternative land by LM

Table 446: New Approved Projects by Human Settlement (Not Yet Started = MEC Resolution only)

PROJECT	WHY NOT STARTED YET	DATE OF IMPLEMENTATION
Mbidlana 300 (Ward 17)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22, Pending MEC Budget Confirmation/ Allocation
Mqokolweni 305 (Ward 6)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22, Pending MEC Budget Confirmation/ Allocation
Koebong 290 (Ward 13)	Budget / cash flow limitations have prevented the initiation of the new projects.	2020/2021 Or 2021/22 However Koebong 290 is projected to start in April 2020
Tembeni Housing Project (1164)	<ul style="list-style-type: none"> • Insufficient Bulk Capacity • Budget Constraints 	2020/2021 OR process can be confirmed once JGDM outlined projected timeline on availability of Bulk

The DoHS in its endeavors in building more houses is confronted by the following challenges:

- ✓ Shrinking Fiscus- HSDG allocation is diminishing every year
- ✓ Over-reliance on Subsidy (RDP) conventional approach,
- ✓ Backlog on approved Beneficiaries whose houses have not been constructed due to budget constraints,
- ✓ Growing Disaster Cases vs interpretation vs limited emergency assistance / interventions,

- ✓ Lack of Material supply within Joe Gqabi Region / District,
- ✓ High Expectation vs understanding of Emergency assistance on Disaster / emergencies/ Destitute

7.5 Planned projects by the Department Public Works

i. New Projects

PROJECT NAME	INTENDED OUTCOME	WARD/VILLAGE	PROJECT START - PROJECT FINISH	APPROVED BUDGET (2019/20 FY)	PROGRESS AND EXPENDITURE
Mount Fletcher Cluster Office	Office accommodation for DoE DRDAR	Mt Fletcher	June 2020 to Dec 2023		Being advertised

ii. Construction of Schools

PROJECT NAME	PROJECT DESCRIPTION	VALUE (R)	LOCATION (WARD)	STATUS
Dinizulu Senior Secondary School	Construction of Senior Secondary School	R 38,250,560.45	Ugie	Delayed due to non-payment by DoE
Ilingeletu ECDC	Construction of the Early Childhood Dev. Centre	R 12, 455, 651.09	Mount Fletcher	Delayed due to non-payment by DoE
Mhlontlo JSS	Construction and refurbishment to Public School	R 22, 150,200.00	Mount Fletcher	Delayed due to non-payment by DoE

iii. EPWP Programmes

PROJECT	NUMBER RECRUITED	START DATE	END DATE	LOCATION
APTCOD	05	06/01/2020	31/03/2022	4 Mount Fletcher 1 Ugie
NYS	04	01/02/2020	30/08/2021	Mount Fletcher
BMP	30	01/02/2020	31/03/2021	Mount Fletcher

7.6 Progress on Elundini Electrification

Table 67: Electrification Progress

PROJECT NAME	BUDGET	EXPENDITURE AMOUNT	PROGRESS TO DATE
Rural Electrification (Ntushuntushu Village)	5,700,000.00	3,299,221.88	11%
Rural Electrification (Mission Village)	8,970,000.00	6,849,317.66	9%
Rural Electrification (Moroka Village)	5,020,000.00	3,743,314.73	70%
Rural Electrification (Embizeni Village)	1,700,000.00	1,680,629.39	0
Rural Electrification (Castle Rock Village)	980,000.00	647,971.42	0
Rural Electrification (Batlokoa Link Line)	4,250,000.00	2,199,976.32	45%
Makhatlaneng (Intervention project COGTA)	4 000 000	3 118 563.75	92%
Smart Metering	R3,270,351.25	R436,266.25	29%

7.7 Programs by Department of Rural Development and Land Reform

Table 45: Food Security 2020/2021

PROJECT	COMMODITY	EXTENT	PROJECT COSTS
Cropping	Grain and fodder	1785 hectares	R 5 709 000-00
House Hold Food Security	Homestead garden inputs	1633 beneficiaries	R 979 800-00

Table 46: Infrastructure 2020/2021

PROJECT	ACTIVITY	LOCATION	COMMODITY	PROJECT COSTS
Wellaway farm	Large stock handling facility	Maclear	Beef	R 450 000
Wellaway farm	Supply and delivery of boundary and arable lands fence (9km)	Maclear	Beef	R 450 000
Sambudla farm	Supply and delivery of boundary and arable lands fence (14km)	Ugie	Beef and Grain	R 630 000
Sambudla farm	Renovation of multipurpose shed	Ugie	Beef and Grain	R 450 000
Hillside farm	Supply and delivery of boundary and arable lands fence (23km)	Maclear	Beef and Grain	R 1 000 000
Pirintsu	Multipurpose shearing shed with equipment	Mt Fletcher	Wool	R 1 100 000
Magwaca	Supply and delivery of boundary and arable lands fence (5,516km)	Maclear	Grain	R 250 000-00
Ilungelo lethu (Ramatee)	Multipurpose shearing shed with equipment	Maclear	Wool	R 1 100 000
Magwaca	Wage payments to casual workers for supply and delivery of fencing material for arable land fencing (5.516 km) at Magwaca	Maclear	Grain	R 55 000

Table 47: Land Care 2020/2021

AREA	OPERATIONS	JOBS TARGETED	PROJECT COSTS
Chevy chase land care project	<ul style="list-style-type: none"> Wattle eradication Grass re-establishment Conservation Agriculture (C.A.) maize planting 	24	R 1 800 000

7.8 Electrification program

Table 48: Electrification Backlog

ESTIMATED OUTSTANDING NUMBER OF HOUSEHOLD CONNECTIONS	COMMENTS
12 566	GPSing of outstanding historical backlogs to be done by the municipality to consolidate the household numbers



Table 49: Electrification Plan for 2020/2021 by ESKOM

Project Name	Project type	DoE TOTAL Planned CAPEX Excl 15% VAT 2020/2021	Transfer Amount (Excl 15% VAT)	Revised Amount Excl 15% VAT 2020/2021	TOTAL Planned Connections 2020/2021	Beneficiaries- Village names
Amahlubi 02	Households	R 3 900 000.00	R 5 061 931.00	R 8 961 931.00	264	Vuvu
Amahlubi 02 Link Line	Infrastructure - Line	R 2 360 000.00	-R 2 360 000.00	R 0.00		
Amahlubi 02 Pre-eng (2020/21 Plan)	Pre-Engineering	R 1 066 000.00	R 0.00	R 1 066 000.00		
Batlokoa 03	Households	R 2 400 000.00	-R 2 400 000.00	R 0.00	0	
Batlokoa 03 Link Line	Infrastructure - Line	R 1 180 000.00	R 0.00	R 1 180 000.00		
Batlokoa 02 SP	Households	R 7 500 000.00	R 2 098 069.00	R 9 598 069.00	390	Upper Tokwana
Batlokoa 02 SP Link Line	Infrastructure - Line	R 2 950 000.00	R 0.00	R 2 950 000.00		
Batlokoa 02 SP Pre-eng (2020/21 Plan)	Pre-Engineering	R 1 025 000.00	R 0.00	R 1 025 000.00		
Elundini Extensions	Households	R 4 800 000.00	-R 4 800 000.00	R 0.00	0	
Elundini Extensions Link Line	Infrastructure - Line	R 1 475 000.00	R 0.00	R 1 475 000.00		
ELUNDINI PH 4	Households	R 9 600 000.00	R 2 400 000.00	R 12 000 000.00	403	Chevy-Chase (236), Ketekete (164)
Elundini Ph 4 Link lines	Infrastructure - Line	R 2 065 000.00	R 0.00	R 2 065 000.00		
Batlokoa 03 SP Pre-eng (2020/21 Plan)	Pre-Engineering	R 246 000.00	R 0.00	R 246 000.00		
ELUNDINI PH 4 Pre-ng (2020/21 Plan)	Pre-Engineering	R 1 660 500.00	R 0.00	R 1 660 500.00		
Elundini Extensions Pre-eng (2021/22 Plan)	Pre-Engineering	R 1 141 000.00	R 0.00	R 1 141 000.00		
Elundini Schedule 5B	Pre-engineering	R 1 095 000.00	R 0.00	R 1 095 000.00		
Elundini Type 1 Infills	Infills	R 600 000.00	R 0.00	R 600 000.00	100	Various Wards within the municipality
		R 45 063 500.00		R 45 063 500.00		



7.9 Projects/Programs by the Department of Social Development

Table 50: Projects Funded: 2020/2021

SOCIAL WELFARE SERVICES						
Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities
Disability	Residential Care	1	9	R 655 187	20	10
Older Person	Community Based Service Centres	18	1, 2, 7, 11, 14, 13, 10, 11, 16, 6, 5, 3 and 15	R 1 482 588	429	18
HIV/AIDS	Community Based Care	3	1, 13 and 11	R 774 519	8700	30
VEP	CBS to Victims of Crime and Violence	7	3, 9, 10 and 15	R 1 486 630	-	43
Substance Abuse	Preventative Programmes to Youth in and Out of School	1	All wards	R 774 519	2300	6

CHILDREN AND FAMILIES						
Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities
Families	Family Based Services	1	1	R 140 643	1100	6
ECD (Equitable)	Development, Protection, Care and support	54	1, 2, 3, 4, 5, 6, 7, 16, 8, 9, 10, 11, 12, 13, 14, 15 and 16	R 6 592 872	1469	64
ECD (Conditional)	Development, Protection, Care and support	13	2, 9, 14, 10 and 17	R 1 009 800	225	8
DI C	Community Based Services	1	15	R 169 256	48	2
PEIP	Community Based Services	3	2, 6 and 14	R 611 724	1800	18

COMMUNITY DEV & RESEARCH						
Sub-Programme	Services rendered	No of Projects	Ward	Allocated Funding 20/21	Beneficiaries	Work Opportunities
Sustainable Livelihood (Poverty Alleviation)	House Hold Foods Gardens & CNDC	4	1, 2, 6 and 16	R 676 652	167	4

7.10 Projects by the DEDEAT

Table 51: DEDEAT Projects

PROJECT	SECTOR	AMOUNT
Ntonjana Sewing Co-Op	Manufacturing	R250 000.00
Ulundi Steel Co-Op	Manufacturing	R500 000.00
Mafati Agricultural Co-Op	Agriculture	R295 000.00
Elundini Shearing Shed	Agriculture	R500 000.00

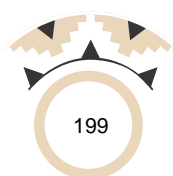


Table 72: DEA Projects

Project Name	Project Type	Project Description	Project Status	FUNDING		DURATION		Number of Job Opportunities
				Funding Organization	Budget	Start Date	End Date	
Tsitsana Working for Water	Working for Water	Control of alien invasive plants and restoration of degraded land to improve ecosystem functioning	Under implementation	DEA – NRM	R 2 246 345	01/04/2020	31/03/2021	72
Ntabelanga Working for Ecosystems	Working for Ecosystems	SA through DWS is planning to build two dams as part of the Umzimvubu Water Project. The dams are intended to supply water to 3 District Municipalities, viz. Joe Gqabi, O R Tambo and Alfred Nzo. Restoration of the catchment is seen as both improving livelihoods and lengthen the lifespan of dams. Clearing alien invasive plants, fire control and management, restoration of degraded land and applying sound rangeland management	Under implementation	DEA – NRM	R 4 150 074	01/04/2020	31/03/2021	88
Good Green Deeds Project/Youth Community Outreach Program for: Elundini LM	Youth Environmental Services	✓ The project is aimed at encouraging better environmental management practices through street cleaning, clearing of illegal dumps and public open spaces as well as the conducting of environmental education with the following deliverables: recruitment and placement of participants, street cleaning and clearing of illegal dumps, Education and Awareness campaigns, Non-accredited training to participants	Under implementation	DEA – EPIP	R 6 787 330 32	01/01/2019	31/12/2021	69

Project Name	Project Type	Project Description	Project Status	FUNDING		DURATION		Number of Job Opportunities
				Funding Organization	Budget	Start Date	End Date	
Working for Wetlands project	Working for Wetlands	<p>✓ The expected outcomes of this programme is active participation of communities in environmental management, awareness about conservation and sustainable use of the environment, improved waste management, patriotism, active participation of youth in environmental management, socio-economic opportunities for youth (work opportunities, SMME development and skills development). The program will commence in 2018 and will run for a period of three years.</p> <p>To conserve and sustainably rehabilitate degraded land within the District Municipality boundary in order to enhance ecosystem services and support the integrity of district's and South Africa's natural resources. To sustainably protect, manage and rehabilitate degraded wetlands and land in order to:</p> <ul style="list-style-type: none"> ✓ Restore or increase core functions of degraded wetlands; ✓ Increase base flows and thus improving water flow; ✓ Improve water quality and quantity; ✓ Increase biodiversity; ✓ Increase retention of water in catchment areas; ✓ Improve vegetation cover in catchments; ✓ Reduce silt runoff and erosion 	Under implementation	DEA – NRM	R 9 135 494	March 2018	March 2021	104

7.1.1 Projects/Programs by the Department of Rural Development and Agrarian Reform

Table 73: DRDAR Projects

INFRASTRUCTURE				
Commodity	Project Name	Ward	Description of project/program (e.g. activities/commodities)	Total cost of project
Maize	Lower Ngxaza	5	Erection of Arable Land Fencing (2.779 Km) In Communal Area For The Production Of Maize	R 210 000
	Mboniseni	2	Erection of Boundary Fencing (4.950 Km) on Land Reform Farm Producing Maize and Red Meat	R 395 000
	Sondernaam	4	Construction of a Multipurpose Shed (Storage Facility) with holding Kraals and Shearing equipment on a privately owned farm producing maize and wool	R 850 000
			TOTAL	R 1 455 000
Red Meat	Colon PTN 3	8	Erection of boundary and internal fencing (27.458 Km) on Land Reform Farm producing red meat	R 890 000
	Bisset Vrede	8	Erection of boundary fencing (13.432 Km) on Land Reform Farm producing red meat	R 468 000
			TOTAL	R 1 358 000
Live stock	Chevy Chase Land Care		Supply and delivery of fencing material for 6 km of fencing of eradicated rangeland areas	R 275 000
			TOTAL	R 275 000
GRAND TOTAL				R 3 088 000

7.12 Joe Gqabi District Municipality – 3 Year Infrastructure Plan (2019/20 – 2021/22)

Table 74: Joe Gqabi Three Capital Plan

NO.	PROJECT NUMBER	PROJECT NAME	PROJECT SCOPE	WORK OPPORTUNITIES TO BE CREATED	PROJECT TYPE: WATER / SANITATION / ROADS SOLID WASTE. / STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	PROJECT STATUS FOR EXAMPLE / NOT YET REGISTERED DESIGN AND TENDER / CONSTRUCTION INDICATE FOR ANY STATUS	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	PROJECTED EXPENDITURE FOR 2019/20(REVISED) (INCL. VAT)	PROJECTED EXPENDITURE FOR 2020/2021 (INCL. VAT)	PROJECTED EXPENDITURE FOR 2021/2022 (INCL. VAT)
MIG												
1	W/EC/1096 0/14/18	Prov. of Bulk Water Infrastructure for the Town of Ugie Phase B	Construction of Ugie Dam, 3 storage reservoirs, upgrading of WTW and reticulation in Ugie, in order to provide raw water storage to supply Ugie and possibly supply Maclear. Increase water supply for Ugie	60	Water	Tender	R 143 188 982	MIG	CAPITAL	R 4 000 000	R 7 000 000	R 0
5	S/EC/14280 7/16/18	Elundini Rural Sanitation Programme: Phase 4&5	Construction of VIP toilets in Elundini LM to address the sanitation backlog	100	Sanitation	Construction	R 46 139 223	MIG	OPERA- TIONAL	R 25 000 000	R 15 000 000	R13 259 950
6	W/EC/1471 8/17/23	Elundini Rural water Programme (ORIO)	Construction of Water supply infrastructure (Reservoirs, Break	500	Water	Tender	R 143 813 803	MIG	CAPITAL	R 10 024 600	R 16 000 000	R 0

NO.	PROJECT NUMBER	PROJECT NAME	PROJECT SCOPE	WORK OPPORTUNITIES TO BE CREATED	PROJECT TYPE: WATER / SANITATION / ROADS SOLID WASTE. / STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	PROJECT STATUS FOR EXAMPLE / NOT YET REGISTERED CONSTRUCTION INDICATE FOR ANY STATUS	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	PROJECTED EXPENDITURE FOR 2019/20(REVISED) (INCL. VAT)	PROJECTED EXPENDITURE FOR 2020/2021 (INCL. VAT)	PROJECTED EXPENDITURE FOR 2021/2022 (INCL. VAT)
			Pressure Tanks, Borehole pump houses, Spring Protections, pipework) for 107 villages in Elundini to address water historic backlog									
8	W/EC/1233 3/11/18	Maclear Water Treatment & Distribution Upgrade (WTW & AC Pipe Replacement)	Construction of new 6ML WTW in Maclear and Replacement of old AC pipeline in Maclear CBD to address to the water shortage to Maclear	50	Water	Tender	R 226 644 753	MIG	CAPITAL	R 0	R 0	R 96 000 000
9	S/EC/14280 /16/18	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Construction of Bulk sanitation pipeline from town pump station to the WWTW as part of Sanitation infrastructure scheme to provide water borne sanitation to Maclear	30	Sanitation	Tender	R 60 447 551	MIG	CAPITAL	R 0	R 0	R 49 000 000

NO.	PROJECT NUMBER	PROJECT NAME	PROJECT SCOPE	WORK OPPORTUNITIES TO BE CREATED	PROJECT TYPE: WATER / SANITATION / ROADS SOLID WASTE. / STREET LIGHTING. PUBLIC MUNICIPAL SERVICES	PROJECT STATUS FOR EXAMPLE / NOT YET REGISTERED CONSTRUCTION INDICATE FOR ANY STATUS	APPROVED BUDGET	SOURCE OF FUNDING	BUDGET IMPLICATION	PROJECTED EXPENDITURE FOR 2019/20 (REVISED) (INCL. VAT)	PROJECTED EXPENDITURE FOR 2020/2021 (INCL. VAT)	PROJECTED EXPENDITURE FOR 2021/2022 (INCL. VAT)
12	NR	Upgrading of Sanitation Services for Ugie	Provision of waste water infrastructure (Pump station, sewer lines and WWTW) in order to do away with old dilapidated communal septic tanks	30	Sanitation	Planning	NR	MIG	CAPITAL	R 5 000 000	R 25 000 000	R 0
TOTAL										R 44 024 600	R 63 000 000	R 158 259 950
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)												
		DC14_P1016 2- 101_District Wide Telemetry System			Water	Implementati on	15 000 000,00	WSIG	CAPITAL			
		DC14_P1016 2-102_Rural Rudimentary Water Supply			Water	Planning	5 000 000,00	WSIG	CAPITAL			
		DC14_P1016 2- 103_Refurbis			Water	Implementati on	5 000 000,00	WSIG	CAPITAL			

The diagram illustrates a 2D grid with a highlighted path. The grid is composed of several colored squares: a light blue square at the top left, a light green square at the top right, a light orange square at the bottom left, and a light purple square at the bottom right. A path of yellow squares starts from the bottom left and moves towards the top right. Below the 2D grid, there is a 3D perspective view of the same grid, showing the squares as blocks. The path of yellow squares is also visible in the 3D view.

H

SECTION

FINANCIAL VIABILITY & FINANCIAL PLAN



8. SECTION H: FINANCIAL VIABILITY AND FINANCIAL PLAN

Part 1 – Annual Budget

(i) Mayor's Report

On 23 March 2020 the president of the Republic of South Africa indicated that it has been a week since the coronavirus pandemic was declared as a national disaster. This was accompanied by an announcement of a package of extraordinary measures to combat this grave public health emergency.

On that same day the president indicated that the National Coronavirus Command Council decided to enforce a nation-wide lockdown for 21 days with effect from midnight on Thursday 26 March 2020. Since then the president has continued to declare various levels of lockdown, which are still effective at the time of writing this report. Such lockdown levels have changed the manner in which we, as the municipality, conduct public participation activities. Our budget processes have, accordingly, been modified to set aside funding that responds to the pandemic by attempting to put in place preventative measures in place and adjusting public participation activities.

On a lighter note on 26 February 2020 the Minister of Finance, in his Budget Speech to Parliament, said: The budget is built on these seven fundamental pillars of our approach.

- Strengthening the macroeconomic framework to deliver certainty, transparency and lower borrowing costs.
- Focusing spending on education, health and social development
- Modernising “network industries” and restructuring our state-owned enterprises.
- Opening markets to trade with the rest of the continent
- Implementing a re-imagined industrial strategy
- Lowering the cost of doing business
- Focusing on job-creating sectors, such as agriculture and tourism

Importantly within our limited resources as Elundini municipality we must strive to achieve excellence in changing people's lives. The application of sound financial management principles for the compilation of the Elundini

Municipality's financial plan is essential and critical to ensure that Elundini Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

The Municipality reaffirms its commitment to the achievement of the goals enshrined within the Integrated Development Plan, namely:

- Accelerate service delivery and infrastructure development
- Promote economic growth, environmental sustainability and creation of decent jobs
- To improve the effectiveness of governance administrative and financial systems

In the year ahead, the Municipality will further strengthen its capacity to implement the adopted Budget, so as to positively impact on the lives of residents.

The Council of Elundini is fully aware of service delivery backlog that has confronted our people over the years. The slow rate of economic growth, coupled with other competing demands has put additional strain to the national fiscus. Rural municipalities that rely on government grants are likely to suffer the most due to reductions in allocations from the national fiscus. This budget has prioritized service delivery and is thus, responsive to the needs of our communities. Our communities has entrusted us with improving their lives over the next 5 year and our intention is to deliver to the best of our abilities. The following key priorities are highlighted:

- Our internal roads are an integral part of our economic development initiatives. R63.7 million has been appropriated towards roads infrastructure for the budget year. This allocation is R134.3 million over the MTREF;
- R36.7 million has been allocated through division of revenue for infrastructure projects;
- R14.5 million has also been appropriated towards electrification of some of our communities



- R4.2 million has been allocated for Electrical projects
- R18.7 million has been allocated for rural electrification in the rural villages
- R12.8 million has been allocated towards Free Basic Services in respect of property rates, electricity and refuse removal. Our municipal area is confronted with high levels of unemployment.

We continue to engage our stakeholders such as Human settlement, Health, Public Works and Education with the view to accelerated service delivery. One of the biggest reforms introduced by the National Treasury is the Municipal Standard Chart of Accounts (m-SCOA). This reform has changed the way we plan as municipalities. It is hoped that this reform will deliver on its intended objectives of stream-lining financial management and enhance planning and accountability.

I would also like to thank the community for their involvement during this budget process. My executive committee was also my pillar of strength throughout this process. Last, but not least, my gratitude goes to the Municipal Manager and his team for the undying support gave to us, the political leadership.



COUNCILLOR N.R. LENG
JUNE 2020

(ii) Council Resolution

On 24th June 2020 the Mayor of Elundini Municipality tabled the draft budget for 2020/2021, 2021/2022 and 2022/2023 financial years. The Council of Elundini Municipality, acting in terms of section 16 of the Municipal Finance Management Act, (Act 56 of 2003) tabled:

1. The annual budget of the municipality for the financial year 2020/21 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4
 - 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5.
 - 1.5 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service

delivery targets are approved as set out in the following tables:

- 1.5.1 Budgeted Financial Position as contained in Table A6
 - 1.5.2 Budgeted Cash Flows as contained in Table A7
 - 1.5.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.5.4 Asset management as contained in Table A9
 - 1.5.5 Basic service delivery measurement as contained in Table A10
2. The Council of Elundini Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approved and adopted with effect from 1 July 2020:
 - 2.1 the tariffs for property rates, electricity and solid waste – as set out on the tariff list attached.
 - 2.2 The budget related policies being Property rates policy, Virement policy, Cash & Investment policy, Budget monitoring policy and Tariff policy
 - 2.3 The Council of Elundini Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and

adopts with effect from 1 July 2020 the tariffs for other services, as set out in the tariff list attached.

(iii) Executive Summary

With the advent of Corona Virus pandemic it is deemed imperative for the municipality to devise strategies to respond to the pandemic as well as to ensure safety and security of staff and communities within Elundini. To this end a Covid Command Council, chaired by the municipal manager, is in place. The Command council has formulated and instituted a safe return strategy of staff to work after the lockdown, and continues to monitor the situation going forward. The municipality does participate in the district joint operational committee.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship.

The Municipality has embarked on implementing revenue enhancement strategy to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. National Treasury's MFMA Circular No. 99 was used to guide the compilation of the 2021/23 MTREF. The main challenges experienced during the compilation of the 2021/23 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Inadequate resources to reduce roads and electricity infrastructure backlogs;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is

placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no longer be affordable;

- Salary budget increases for municipal staff due to a critical need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the MTREF:

- The 2019/20 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2020/21 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- There's also a budget allocation set for the following items:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Subsistence, Travelling & Conference fees (national & international).



In view of the aforementioned, the following table is a consolidated overview of the proposed Medium-term Revenue and Expenditure Framework:

Table A52 Consolidated Overview of the 2020/21 MTREF

R thousand	Adjustments Budget 2019/2020	Budget Year 2020/2021	Budget Year 2021/2022	Budget Year 2022/2023
Total Operating Revenue	377.3	R314.7	R328.1	R342.6
Total Operating Expenditure	311.7	R352.8	R367.9	R385.1
(Surplus)/Deficit	65.7	R(38.1)	R(39.7)	R (42.5)
Total Capital Expenditure	88.0	R 88.7	R59.9	R 63.0

Total operating revenue has decreased by 17 per cent or R62.6 million for this financial year when compared to the previous financial year on budgeted revenue. For the two outer years, operational revenue increased by 4.09% and 4.24%. Total operating expenditure grew by 11% or R41m for this financial year when compared to previous financial year budgeted expenditure. For two outer years, operating expenditure increased by 4.11% and 4.46%. Operating expenditure has been appropriated at R352.8 million, R367.9m and R385.1m for the two outer years and translates into a budgeted deficit of (R38.1) million, R(39.7)m and R(42.5)m for the two outer years and this deficit relates to non-cash expenditure items

being Depreciation and debt impairment costs. The municipality does not have enough resources to cater for non- cash expenditure items for this MTREF. The municipality should develop a revenue enhancement strategy to address the deficit within the MTREF.

The capital program is positioned to R88.7 million, R59.9 and R63 million in the outer years. A substantial portion of the capital budget will be funded by government grants from National and Provincial Government over the MTREF. The balance will be funded from internally generated funds.

8.1 Operating Revenue Framework

In order for Elundini Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2021/2023 MTREF (classified by main revenue source):

Table A4 Summary of revenue classified by main revenue source

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 693	34 138
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	32 738	34 244	35 820
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	4 879	5 103	5 338
Rental of facilities and equipment	2	1 539	1 478	8 251	9 450	9 450	9 450	–	9 450	10 125	10 125
Interest earned - external investments	2	4 539	4 778	5 515	2 568	4 500	4 500	–	4 707	4 924	5 150
Interest earned - outstanding debtors	2	1 804	1 899	1 970	1 369	5 618	5 618	–	1 693	1 771	1 852
Dividends received	2	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	2	472	368	1 166	259	259	259	–	271	284	297
Licences and permits	2	2 371	2 014	2 796	2 217	2 217	2 217	–	2 318	2 425	2 537
Agency services	2	–	–	–	520	520	520	–	544	569	595
Transfers and subsidies	2	152 226	168 566	173 496	159 791	180 791	180 791	–	193 330	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	32 589	38 845	42 827
Gains	2	–	–	–	448	448	–	–	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	314 741	328 153	342 651
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Remuneration of councillors	2	10 229	12 028	12 028	12 736	12 736	12 736	–	13 193	13 905	14 656
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	–	5 146	5 423	5 716
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	33 000	34 782	36 660
Finance charges	2	1 205	1 370	1 489	56	56	56	–	209	220	232
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	23 000	24 242	25 551
Other materials	8	9 619	13 480	–	1 705	1 902	1 902	–	1 759	1 854	1 955
Contracted services	2	2 727	2 380	69 241	47 295	70 801	70 801	–	95 829	96 983	99 586
Transfers and subsidies	2	–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	60 180	63 431	66 857
Losses	2	–	–	1 259	–	–	–	–	–	–	–
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	352 886	367 922	385 156
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 145)	(39 769)	(42 505)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2	41 386	70 276	59 981	78 306	64 906	64 906	–	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	2	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Taxation	2	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Attributable to minorities	2	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Our total revenue mix comprises of revenue generated from rates and services charges which are Electricity and solid waste and other revenue derived from rentals, plant income investment income and others.

8.1.1 Property rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. Revenue generated from Property Rates totals to R31.3 million for the budget year and has increased to R32.7 million and R34.2 million for the two outer years.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

8.1.2 Revenue from Services

8.1.2.1 Electricity

Electricity and Solid waste services are the main revenue sources for the municipality. Revenue generated from **Electricity** totals to R32 million for the budget year and increases to R34 million and R35 million for the two outer years. NERSA has not announced the revised bulk electricity pricing structure yet. Therefore 6 percent which is a maximum increase allowed by Treasury on circular 99 has been used on the tariff structure and will be effective from 1 July 2020.

Considering the Eskom increases, the consumer tariff had to be increased by 6% to offset the additional bulk purchase cost from 1 July 2020. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 50 kWh per 30-day period free of charge. In addition those residential customers that are not registered as indigent, but that consume less than 50 kWh per 30-day period will receive 50 kWh free of charge.

Currently Electricity is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of Electricity function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. Currently the smart meters are being installed in order to minimize the electricity losses.



8.1.2.2 Solid Waste

Revenue generated from **Solid waste** totals to R4.8 million for the budget year and increases to R5 million and R5 million for the two outer years. An increase of 6% has been applied as this service is operating at a deficit. It must also be noted that an amount of free basic refuse has been reduced from the total revenue expected from refuse removal. These services are operating at a deficit, the revenue derived from these services is unable to cover expenditure in relation to these services. It is important that the municipality should consider come up with a cost recovery strategy to ensure that they are cost reflective. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a revenue enhancement strategy to ensure that this service can be rendered in a more sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as to some extent lack of billing of commercial businesses in terms of the recognized Polluter Pays Principle as outline in the National Waste Management Strategy of 2008. Considering the deficit, it is recommended that a comprehensive investigation into the possibility of reviewing our approach to billing in terms of the existing tariff structure as approved by Council.

8.1.2.3 Other Revenue

Other sources of revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, vat income, investment income and interest from debtors. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

8.1.2.4 Operating Grants

Operating grants and transfers totals R193.3 million in the budget year and steadily increases to R196.9 million and R202.7 for the two outer years. The following table gives a breakdown of the revenue and operating grants and subsidies allocated to the municipality over the medium term:

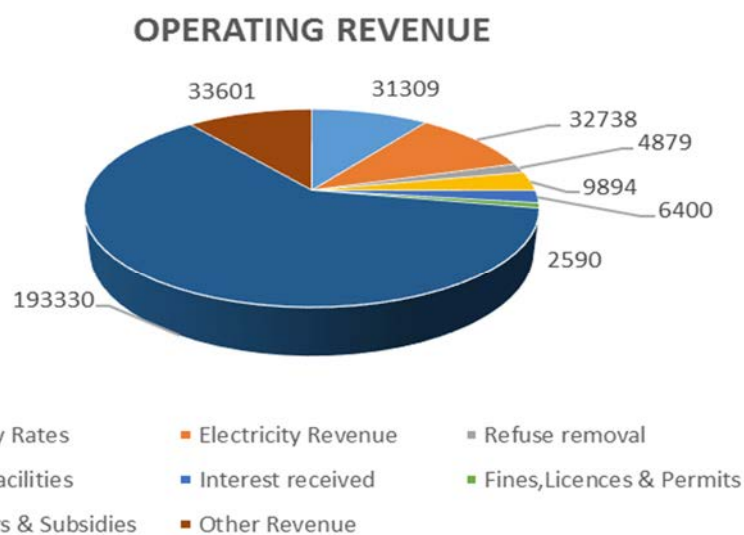


Table SA18 Operating Transfers and Grant Receipts

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		148 058	168 465	-	159 041	180 041	180 041	192 580	195 706	202 011
Local Government Equitable Share		127 070	134 116		152 511	152 511	152 511	161 277	170 913	178 602
EPWP Incentive		1 863	2 649		2 883	2 883	2 883	3 333	-	-
Integrated National Electrification Programme		17 500	30 000		-	21 000	21 000	18 739	21 000	19 500
Energy Efficiency and Demand Management		-	-		-	-	-	5 000	-	-
Finance Management		1 625	1 700		1 700	1 700	1 700	1 700	1 700	1 700
		-	-		-	-	-	596	-	-
Municipal Infrastructure Grant					1 947	1 947	1 947	1 935	2 093	2 209
Provincial Government:		750	750	-	750	750	750	750	750	750
Sport and Recreation		750	750		750	750	750	750	750	750
Sport and Recreation			-		-	-	-			
Sport and Recreation			-		-	-	-			
Financial Management Grant										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	148 808	169 215	-	159 791	180 791	180 791	193 330	196 456	202 761
Capital Transfers and Grants										
National Government:		42 250	69 622	-	58 001	37 001	37 001	36 768	39 769	42 505
Municipal Infrastructure Grant (MIG)		42 250	39 587		37 001	37 001	37 001	36 768	39 769	42 505
		-	30 035							
INEP					21 000	-				
Provincial Government:		-	-	-	20 305	27 905	27 905	14 520	-	-
Premiours office					20 305	27 905	27 905	14 520	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	42 250	69 622	-	78 306	64 906	64 906	51 288	39 769	42 505
TOTAL RECEIPTS OF TRANSFERS & GRANTS		191 058	238 837	-	238 097	245 697	245 697	244 618	236 225	245 266

8.1.2.5 Tariff-Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions and the affordability of services were taken into account to ensure the financial sustainability of the Municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The table below indicates the tariffs increases as per circular No. 99 and Nersa guidelines in tariff determination.

Category	2019/2020 Budget Year	2020/2021 Budget Year	2021/2022 Budget Year	2022/2023 Budget Year
Property Rates	5.2%	4.6%	4.6%	4.6%
Electricity	6%	6%	6%	6%
Solid waste	6%	6%	6%	6%

The following table compares **Solid Waste's** current and proposed amounts payable from 1 July 2020 with previous year's tariffs:

Refuse Removal - Per Month	2019/2020	2020/2021
Households	R125.52	R133.05
Business	R249.16	R264.10
Townships	R51.72	R 54.82
Loads per removal Business & Refuse garden	R379.36	R402.12
Building Rubble per Load	R702.50	R 744.65
Use of refuse site where the public off load refuse - Price is per cubic meter(Prepaid Coupon)	R34.13	R 36.17
Illegal Dumping- Fine	R4552.32	R 4825.45

Electricity's current and proposed amounts that will be payable from 1 July 2020 are detailed on the tariff list which will be approved as the budget related document.

8.1.2.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

8.2 Operating Expenditure Framework

The municipality's expenditure framework for the MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.



The following table is a high level summary of the MTREF (classified per main type of operating expenditure):

Table A4 Summary of operating expenditure by standard classification item

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 693	34 138
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	32 738	34 244	35 820
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	4 879	5 103	5 338
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459	–	9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500	–	4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618	–	1 693	1 771	1 852
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		472	368	1 166	259	259	259	–	271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217	–	2 318	2 425	2 537
Agency services		–	–	–	520	520	520	–	544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791	–	193 330	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	32 589	38 845	42 827
Gains		–	–	–	448	448	–	–	468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	314 741	328 153	342 651
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736	–	13 193	13 905	14 656
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773	–	5 146	5 423	5 716
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	33 000	34 782	36 660
Finance charges		1 205	1 370	1 489	56	56	56	–	209	220	232
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	23 000	24 242	25 551
Other materials	8	9 619	13 480	–	1 705	1 902	1 902	–	1 759	1 854	1 955
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	95 829	96 983	99 586
Transfers and subsidies		–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	60 180	63 431	66 857
Losses		–	–	1 259	–	–	–	–	–	–	–
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	352 886	367 922	385 156
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 145)	(39 769)	(42 505)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906	–	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)

8.2.1 Employee Related Costs

The budgeted allocation for employee related costs for the budget year totals R120.5 million, which equals 34 per cent of the total operating expenditure. A three year collective SALGBC agreement, is still valid and it stipulates that with effect from 01 July 2020, an increase based on the projected CPI percentage for 2020 (4.6%), plus one comma five percent (1.5%). Employee related costs will increase by 8.75% including 2.5% notch increase.

As part of the Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized upwards. As part of the planning assumptions and interventions no new vacancies have been provided in this budget except positions that were existing and those that were on the recruitment stage for the purpose of balancing a budget to be funded.

8.2.2 Remuneration of Councilors

The cost associated with the remuneration of councilors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. Budget appropriation in this regard totals to R13.1 million and equates to 4 percent of the total operating expenditure.

8.2.3 Debt impairment Provision

The provision of debt impairment was determined based on an annual collection rate of 95 per cent and the Debt Write-off Policy of the municipality. For the budget year this amount equates to R5.1 million and equates to 1.45% of the total operating expenditure and escalates to R5.4million and R5.5 million for the two outer years. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

8.2.4 Depreciation Provision

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation in this regard refers to the systematic write off of assets over their useful lives. Budget appropriations in this regard total R33 million for the budget year financial and equates to 9.3 % of the total operating expenditure.

8.2.5 Bulk purchases

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Budget appropriations in this regard total to R23 million for the budget year and equates to 6.5 percent of the total operating budget. The expenditure also includes distribution losses.

8.2.6 Other Material

Since the implementation of mSCOA repairs and maintenance are no longer budgeted as the line item on the budget but as the project. It is therefore included on the contracted services, a full breakdown is detailed on table SA34c.

8.2.7 Contracted Services

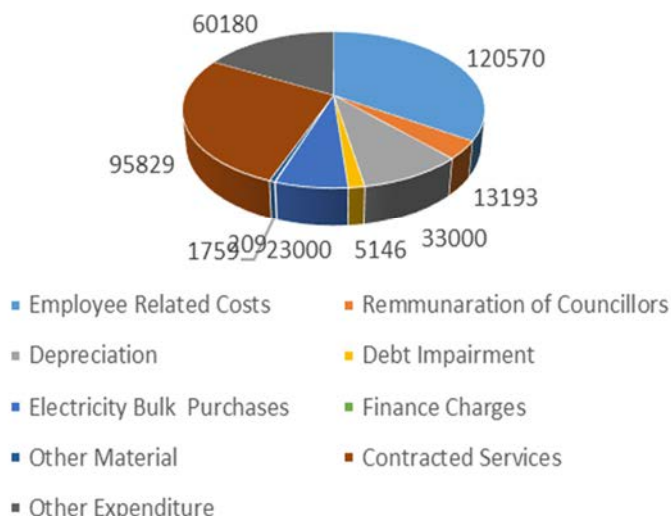
Contracted expenditure totals to R95.8 million and equates to 27% of the total operating budget.

8.2.8 Other Expenditure

Other expenditure comprises of various line items relating to the daily operations of the municipality. Budget appropriations in this regard totals to R68.5 million and equates to 17 percent. The following graph gives a breakdown of the main expenditure categories for the 2020/21 financial year.



OPERATING EXPENDITURE (R'000)



8.2.9 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 10 000 or more indigent households during this budget year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table SA21. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. In this budget year the municipality made a provision of R12.8 million for free basic services.

8.2.10 Expenditure by major type

1. Bulk purchases have increased over the MTREF period escalating to R72.8 million, R23 million and R24 million and R25 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

8.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

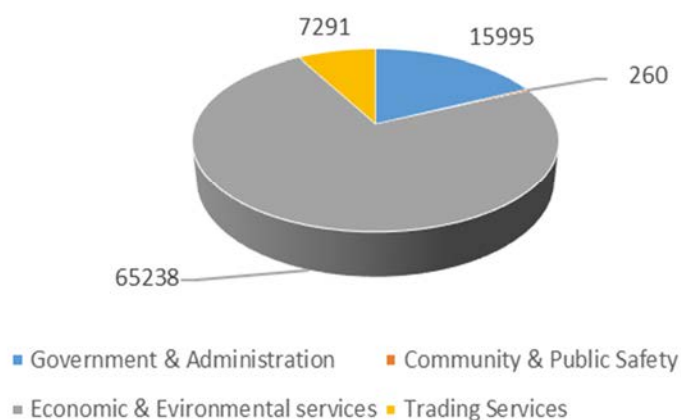


Table 53 2020/21 Medium-term capital budget per vote

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Admin		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	7 745	8 101	8 474
Vote 3 - Corporate Admin		1 352	-	239	2 350	2 350	-	-	6 150	6 433	6 729
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	61 349	38 734	40 881
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	81 584	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	8 027	1 671	15 395	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	3 050	1 170	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	4 977	501	13 895	14 534	15 203
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	1 673	84	260	272	284
Community and social services		116	-	142	162	873	873	84	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	800	-	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	72 812	43 462	58 638	35 898	37 915
Planning and development		262	-	581	1 185	1 685	1 685	557	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	71 127	42 905	57 138	34 329	36 274
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	5 530	12 939	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	4 158	11 737	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	1 372	1 202	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	37 001	35 286	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	27 905	13 105	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	64 906	48 391	51 288	39 769	42 505
Borrowing	6										
Internally generated funds		24 101	19 259	15 847	24 316	23 138	23 138	9 765	30 296	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	88 043	58 156	81 584	59 900	63 021

For this budget year an amount of R81.5 million has been appropriated for the development of infrastructure which represents 18 per cent of the total expenditure budget. The amount totals to R59.9 million and R63 million for the outer years. The following graph gives a breakdown of the Capital expenditure by vote for the 2020/21 financial year.

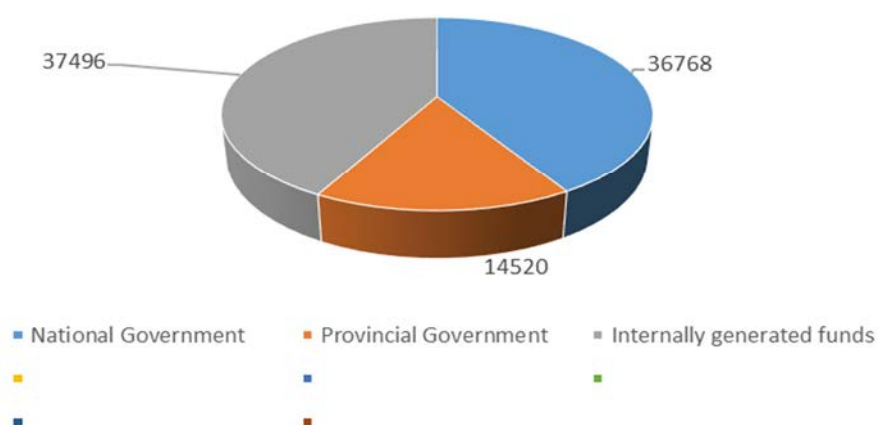
CAPITAL EXPENDITURE (R'000)



8.3.1 Funding of the Capital Budget

The capital programme is funded from National grants and internally generated funds from previous year surpluses. Capital transfers totals to R51.2 million and escalates to R39.7 million and R42.5 million for the two outer years. The graph below illustrates the funding sources for Capital Expenditure

CAPITAL SOURCES OF REVENUE



8.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table A1 - Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
Financial Performance										
Property rates	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 693	34 138
Service charges	23 992	25 418	33 283	41 852	37 432	37 432	–	37 617	39 347	41 157
Investment revenue	4 539	4 778	5 515	2 568	4 500	4 500	–	4 707	4 924	5 150
Transfers recognised - operational	152 226	168 566	173 496	159 791	180 791	180 791	–	193 330	196 456	202 761
Other own revenue	7 530	14 690	15 455	44 272	59 807	59 359	–	47 778	54 732	59 445
Total Revenue (excluding capital transfers and contributions)	205 505	230 953	250 951	278 415	312 462	312 014	–	314 741	328 153	342 651
Employee costs	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Remuneration of councillors	10 229	12 028	12 028	12 736	12 736	12 736	–	13 193	13 905	14 656
Depreciation & asset impairment	26 956	32 793	30 157	34 498	34 498	34 498	–	33 000	34 782	36 660
Finance charges	1 205	1 370	1 489	56	56	56	–	209	220	232
Materials and bulk purchases	30 914	33 503	20 821	32 461	32 659	32 659	–	24 759	26 096	27 506
Transfers and grants	–	–	2 428	–	–	–	–	–	–	–
Other expenditure	84 683	83 779	123 348	103 799	126 901	126 901	–	161 155	165 837	172 159
Total Expenditure	224 288	243 237	289 243	283 563	311 750	311 750	–	352 886	367 922	385 156
Surplus/(Deficit)	(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 145)	(39 769)	(42 505)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	41 386	70 276	59 981	78 306	64 906	64 906	–	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Capital expenditure & funds sources										
Capital expenditure	56 065	70 432	62 154	102 622	88 043	–	–	88 784	59 900	63 021
Transfers recognised - capital	31 964	51 173	46 307	78 306	64 906	–	–	51 288	39 769	42 505
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	24 101	19 259	15 847	24 316	23 138	–	–	37 496	20 131	20 516
Total sources of capital funds	56 065	70 432	62 154	102 622	88 043	–	–	88 784	59 900	63 021
Financial position										
Total current assets	20 244	32 371	107 880	196 716	385 034	385 034	–	78 220	80 899	89 168
Total non current assets	36 160	36 083	466 807	433 842	516 322	516 322	–	603 852	575 947	581 893
Total current liabilities	7 268	8 167	63 529	52 310	336 080	336 080	–	91 584	90 950	91 878
Total non current liabilities	–	–	23 436	16 484	12 366	12 366	–	–	–	–
Community wealth/Equity	49 136	60 513	487 723	561 764	552 910	552 910	–	590 488	591 607	606 012
Cash flows										
Net cash from (used) operating	45 976	79 091	567 937	104 701	50 343	50 343	–	40 612	35 833	24 968
Net cash from (used) investing	(55 625)	(61 967)	(61 952)	(102 622)	(88 043)	(88 043)	–	(88 315)	(59 402)	(62 508)
Net cash from (used) financing	(148)	–	208	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	41 918	59 055	565 464	114 642	74 863	74 863	–	12 707	(10 862)	(48 402)
Cash backing/surplus reconciliation										
Cash and investments available	5 383	2 259	77 125	112 563	17 831	17 831	–	48 429	54 830	59 166
Application of cash and investments	(1 908)	(3 986)	18 074	(35 363)	5 825	(1 032)	–	53 774	57 182	55 247
Balance - surplus (shortfall)	7 291	6 245	59 051	147 926	12 006	18 863	–	(5 345)	(2 352)	3 919
Asset management										
Asset register summary (WDV)	–	–	–	362 515	362 515	–	–	487 250	509 663	533 108
Depreciation	–	–	–	34 498	34 498	34 498	34 498	33 000	34 782	36 660
Renewal and Upgrading of Existing Assets	–	–	–	7 981	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	10 270	10 270	–	–	27 279	28 534	29 846
Free services										
Cost of Free Basic Services provided	–	–	–	5 564	5 564	5 564	5 820	5 820	6 087	6 367
Revenue cost of free services provided	–	–	–	2 229	2 229	2 229	7 000	7 000	7 378	7 776
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation indicates that the municipality is paying much attention in managing of its finances mainly building of internal reserves that can be cash- backed to fund the budget.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.



Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		156 450	169 884	170 175	209 191	223 347	-	223 603	231 410	243 939
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		156 450	169 884	170 175	209 191	223 347	-	223 603	231 410	243 939
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 888	3 417	6 592	6 437	7 148	-	7 760	8 083	8 420
Community and social services		175	1 133	2 614	3 665	4 377	-	4 861	5 050	5 248
Sport and recreation		11	-	-	21	21	-	22	23	24
Public safety		2 702	2 284	3 978	2 750	2 750	-	2 877	3 009	3 148
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		45 498	72 691	68 299	74 826	82 926	-	61 721	59 447	63 107
Planning and development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Road transport		45 419	72 607	68 238	72 741	80 341	-	59 120	56 657	60 170
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		42 045	55 237	65 867	66 267	63 947	-	72 945	68 983	69 690
Energy sources		36 769	54 552	59 744	58 807	60 907	-	65 482	64 663	65 171
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 276	685	6 123	7 461	3 041	-	7 463	4 320	4 518
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	246 882	301 228	310 932	356 721	377 368	-	366 030	367 922	385 156
Expenditure - Functional										
<i>Governance and administration</i>		113 196	136 483	127 892	172 839	142 025	-	160 551	169 221	178 359
Executive and council		29 857	30 031	45 757	50 850	51 262	-	57 674	60 788	64 071
Finance and administration		83 339	106 452	82 135	121 989	90 762	-	102 878	108 433	114 288
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		17 293	18 258	21 910	24 613	25 363	-	29 268	30 848	32 514
Community and social services		2 528	4 031	6 192	6 821	6 943	-	7 228	7 619	8 030
Sport and recreation		6 470	7 672	8 267	8 377	8 780	-	9 672	10 194	10 745
Public safety		7 525	6 554	7 451	9 414	9 639	-	12 367	13 035	13 739
Housing		769	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		42 583	21 006	57 657	57 029	58 569	-	69 189	72 925	76 863
Planning and development		8 594	7 540	7 133	14 898	16 189	-	18 760	19 773	20 840
Road transport		33 989	13 466	50 523	42 131	42 381	-	50 429	53 152	56 023
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 216	67 490	81 784	61 144	85 794	-	93 879	94 928	97 420
Energy sources		33 347	56 554	61 542	44 117	67 267	-	69 317	69 039	70 133
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17 869	10 936	20 242	17 027	18 527	-	24 562	25 888	27 286
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	224 288	243 237	289 243	315 624	311 750	-	352 887	367 922	385 156
Surplus/(Deficit) for the year		22 593	57 991	21 689	41 096	65 618	-	13 143	0	0

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for Electricity and Waste management functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue and Equitable share.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Call investment deposits											
Call deposits				66 447	107 011				52 545	55 382	58 373
Other current investments											
Total Call investment deposits	2	-	-	66 447	107 011	-	-	-	52 545	55 382	58 373
Consumer debtors											
Consumer debtors				9 015	72 120	84 861	84 861		8 918	5 388	9 057
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	9 015	72 120	84 861	84 861	-	8 918	5 388	9 057
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)				420 740	397 643	470 255	470 255		557 778	529 873	535 819
Leases recognised as PPE											
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	-	-	420 740	397 643	470 255	470 255	-	557 778	529 873	535 819
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)				10 112	7 224						
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	10 112	7 224	-	-	-	-	-	-
Trade and other payables											
Trade Payables				51 818	37 587	317 869	317 869		79 493	78 859	79 787
Other creditors											
Unspent conditional transfers				1 213							
VAT											
Total Trade and other payables	2	-	-	53 031	37 587	317 869	317 869	-	79 493	78 859	79 787
Non current liabilities - Borrowing											
Borrowing				17 807	805	329	329				
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing	4	-	-	17 807	805	329	329	-	-	-	-
Provisions - non-current											
Retirement benefits				5 628	15 679	12 037	12 037				
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	5 628	15 679	12 037	12 037	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance						487 690	487 690				
GRAP adjustments											
Restated balance		-	-	-	-	487 690	487 690	-	-	-	-
Surplus/(Deficit)		22 603	57 991	21 689	73 158	65 618	65 170	-	13 143	(0)	(0)
Transfers to/from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	22 603	57 991	21 689	73 158	553 308	552 860	-	13 143	(0)	(0)
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	22 603	57 991	21 689	73 158	553 308	552 860	-	13 143	(0)	(0)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		156 460	169 884	170 048	209 191	223 347	-	223 603	231 410	243 939
Vote 3 - Corporate Admin		-	-	127	-	-	-	-	-	-
Vote 4 - Community Services		8 164	4 101	12 714	13 898	10 189	-	15 224	12 402	12 938
Vote 5 - Strategic Planning Development		80	84	62	2 084	2 584	-	2 601	2 790	2 937
Vote 6 - Infrastructure Planning & Development		82 188	127 159	127 981	131 548	141 248	-	124 602	121 320	125 341
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	246 891	301 229	310 932	356 721	377 368	-	366 030	367 922	385 156
Expenditure by Vote to be appropriated	1									
Expenditure by Vote		29 857	30 031	45 757	50 850	51 262	-	57 674	60 789	64 071
Vote 2 - Budget and Treasury		63 601	86 154	59 635	52 721	53 121	-	63 228	66 642	70 241
Vote 3 - Corporate Admin		19 739	20 298	22 500	69 268	37 642	-	39 649	41 790	44 047
Vote 4 - Community Services		35 162	29 193	42 152	41 639	43 889	-	53 830	56 736	59 800
Vote 5 - Strategic Planning Development		8 594	7 540	7 133	10 707	16 189	-	18 760	19 773	20 840
Vote 6 - Infrastructure Planning & Development		67 336	70 021	112 065	90 439	109 648	-	119 746	122 191	126 156
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	224 288	243 237	289 243	315 624	311 751	-	352 887	367 922	385 156
Surplus/(Deficit) for the year	2	22 603	57 992	21 689	41 096	65 617	-	13 143	0	0

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.



Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Revenue By Source											
Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 693	34 138
Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	–	32 738	34 244	35 820
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	–	4 879	5 103	5 338
Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459		9 894	10 349	10 825
Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500		4 707	4 924	5 150
Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618		1 693	1 771	1 852
Dividends received		–	–	–	–	–	–		–	–	–
Fines, penalties and forfeits		472	368	1 166	259	259	259		271	284	297
Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217		2 318	2 425	2 537
Agency services					520	520	520		544	569	595
Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791		193 330	196 456	202 761
Other revenue	2	1 308	8 946	1 287	30 000	41 285	41 285	–	32 589	38 845	42 827
Gains					448	448			468	490	513
Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	–	314 741	328 153	342 651
Expenditure By Type											
Employee related costs	2	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736		13 193	13 905	14 666
Debt impairment	3	9 185	1 686	10 085	1 773	1 773	1 773		5 146	5 423	5 716
Depreciation & asset impairment	2	26 956	32 793	30 157	34 498	34 498	34 498	–	33 000	34 782	36 660
Finance charges		1 205	1 370	1 489	56	56	56		209	220	232
Bulk purchases	2	21 295	20 023	20 821	30 757	30 757	30 757	–	23 000	24 242	25 551
Other materials	8	9 619	13 480	1 705	1 902	1 902	1 902		1 759	1 854	1 955
Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	95 829	96 983	99 586
Transfers and subsidies		–	–	2 428	–	–	–	–	–	–	–
Other expenditure	4, 5	72 770	79 714	42 763	54 731	54 327	54 327	–	60 180	63 431	66 857
Losses				1 259				–			
Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	–	352 886	367 922	385 156
Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	–	(38 145)	(39 769)	(42 505)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906		51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Taxation											
Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is 314 million in the budget year and escalates to R328 million and R342 for the outer years.
2. Revenue to be generated from property rates is R31.3 million in the budget year and increases to R32.7 million and R32.4 million in the outer years. The property Rates represents 5.7 per cent of the operating revenue base of the municipality and clearly shows that the municipality is grant depended it cannot sustain itself should the grants be taken away.
3. Services charges relating to electricity, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R37.6 million in the budget year and increasing to R39.3 million and R41.1 million for the outer years. For the budget year services charges amount to 8 per cent of the total revenue base and grows by 9 per cent per annum over the medium-term.
4. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing over the MTREF.



Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate dm		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Strategic Planning Development		-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Vote 2 - Budget and Treasury		10 521	19 259	12 498	2 627	2 627	-	-	8 345	8 206	8 583
Vote 3 - Corporate dm		1 352	-	239	2 350	2 350	-	-	6 150	6 328	6 619
Vote 4 - Community Services		1 474	-	1 874	2 334	3 045	-	-	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		40 831	51 173	46 373	92 176	75 286	-	-	67 949	38 734	40 881
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		56 065	70 432	62 154	102 622	88 044	-	-	88 784	59 900	63 021
Total Capital Expenditure - Vote		56 065	70 432	62 154	102 622	88 044	-	-	88 784	59 900	63 021
Capital Expenditure - Functional											
Governance and administration		13 499	19 259	13 327	6 927	8 027	-	-	15 995	16 103	16 844
Executive and council		1 626	-	590	1 950	3 050	-	-	1 500	1 569	1 641
Finance and administration		10 521	19 259	12 737	4 977	4 977	-	-	14 495	14 534	15 203
Internal audit		1 352	-	-	-	-	-	-	-	-	-
Community and public safety		586	-	1 088	962	1 673	-	-	260	272	284
Community and social services		116	-	142	162	873	-	-	100	105	109
Sport and recreation		115	-	598	-	-	-	-	150	157	164
Public safety		355	-	348	800	800	-	-	10	10	11
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		37 631	51 173	46 954	64 202	72 812	-	-	65 238	35 898	37 915
Planning and development		262	-	581	1 185	1 685	-	-	1 500	1 569	1 641
Road transport		37 370	51 173	46 373	63 017	71 127	-	-	63 738	34 329	36 274
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 349	-	785	30 531	5 530	-	-	7 291	7 626	7 977
Energy sources		3 461	-	-	29 159	4 158	-	-	4 211	4 405	4 607
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		887	-	785	1 372	1 372	-	-	3 080	3 222	3 370
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	56 065	70 432	62 154	102 622	88 043	-	-	88 784	59 900	63 021
Funded by:											
National Government		31 964	51 173	46 307	58 001	37 001	-	-	36 768	39 769	42 505
Provincial Government		-	-	-	20 305	27 905	-	-	14 520	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 964	51 173	46 307	78 306	64 906	-	-	51 288	39 769	42 505
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	7	24 101	19 259	15 847	24 316	23 138	-	-	37 496	20 131	20 516
Total Capital Funding	7	56 065	70 432	62 154	102 622	88 043	-	-	88 784	59 900	63 021

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. Single-year capital expenditure has been appropriated at R88.7 million for the budget year and R59.9 million and R63 million for the two outer years.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
ASSETS											
Current assets											
Cash		6 104	5 383	2 259	1 334	1 334	1 334		1 334	1 406	1 482
Call investment deposits	1	–	–	–	106 576	106 576	106 576	–	106 576	112 331	118 396
Consumer debtors	1	–	–	–	47 617	47 617	47 617	–	47 617	50 188	52 898
Other debtors		3 544	2 782	5 323	11 734	11 734	11 734		11 734	12 367	13 035
Current portion of long-term receivables		7 209	12 079	24 789					–		
Inventory	2				265	265	265		265	12 367	13 035
Total current assets		16 857	20 244	32 371	167 525	167 525	167 525	–	167 525	188 660	198 848
Non current assets											
Long-term receivables											
Investments											
Investment property		36 237	36 160	36 083	36 199	36 199	36 199		36 199	38 154	40 214
Investment in Associate											
Property, plant and equipment	3	–	–	–	378 257	378 257	378 257	–	378 257	398 682	420 211
Biological											
Intangible		227	0	0							
Other non-current assets											
Total non current assets		36 237	36 160	36 310	414 456	414 456	414 456	–	414 456	436 836	460 425
TOTAL ASSETS		53 095	56 404	68 681	581 981	581 981	581 981	–	581 981	625 496	659 273
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	–	367	367	367	–	367	387	408
Consumer deposits		388	402	399	643	643	643		643	38 154	40 214
Trade and other payables	4	–	–	–	38 144	38 144	38 144	–	38 144	40 204	42 375
Provisions		10 400	6 867	7 768	6 857	6 857	6 857		6 857	38 154	40 214
Total current liabilities		10 788	7 268	8 167	46 011	46 011	46 011	–	46 011	116 899	123 211
Non current liabilities											
Borrowing		–	–	–	335	335	335	–	335	353	372
Provisions		–	–	–	15 679	15 679	15 679	–	15 679	16 526	17 418
Total non current liabilities		–	–	–	16 014	16 014	16 014	–	16 014	16 879	17 790
TOTAL LIABILITIES		10 788	7 268	8 167	62 024	62 024	62 024	–	62 024	133 777	141 001
NET ASSETS	5	42 307	49 136	60 513	519 957	519 957	519 957	–	519 957	491 719	518 272
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		42 307	49 136	60 513	519 957	519 957	519 957		519 957	491 719	518 272
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	42 307	49 136	60 513	519 957	519 957	519 957	–	519 957	491 719	518 272

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table A6s supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions noncurrent;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			13 078	13 338	43 140	16 606	16 606	16 606		22 199	29 248	30 827
Service charges			18 123	15 400		23 127	23 127	23 127		27 420	35 314	37 221
Other revenue			5 275	4 695		33 766	33 766	33 766		34 975	36 864	38 854
Government - operating		1	158 687	151 357	168 566	173 745	174 245	174 245		188 791	192 659	203 058
Government - capital		1	31 904	41 386	70 276	67 795	67 795	67 795		—	—	—
Interest			5 053	6 342	8 139	3 680	3 680	3 680		3 936	4 149	4 373
Dividends										—	—	—
Payments												
Suppliers and employees			(173 258)	(186 455)	(209 328)	(239 637)	(283 535)	(283 535)		(251 432)	(315 644)	(332 689)
Finance charges			(19)	(87)	(1 702)	(53)	(53)	(53)		(56)	(59)	(62)
Transfers and Grants		1								—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES			58 844	45 976	79 091	79 029	35 631	35 631	—	25 834	(17 470)	(18 418)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			372	440	1 034					37 001	38 947	41 748
Decrease (Increase) in non-current debtors										—	—	—
Decrease (increase) other non-current receivables										—	—	—
Decrease (increase) in non-current investments										—	—	—
Payments												
Capital assets			(41 221)	(56 065)	(63 001)	(88 151)	(88 151)	(88 151)		(64 736)	(68 232)	(71 917)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(40 849)	(55 625)	(61 967)	(88 151)	(88 151)	(88 151)	—	(27 736)	(29 285)	(30 169)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										—	—	—
Borrowing long term/refinancing										—	—	—
Increase (decrease) in consumer deposits										—	—	—
Payments												
Repayment of borrowing			(110)	(148)						—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES			(110)	(148)	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD			17 884	(9 798)	17 124	(9 122)	(52 520)	(52 520)	—	(1 902)	(46 755)	(48 586)
Cash/cash equivalents at the year begin:		2	33 806	51 716	41 932	115 779	115 779	115 779		92 543	90 642	43 887
Cash/cash equivalents at the year end:		2	51 690	41 918	59 055	106 657	63 259	63 259	—	90 642	43 887	(4 699)

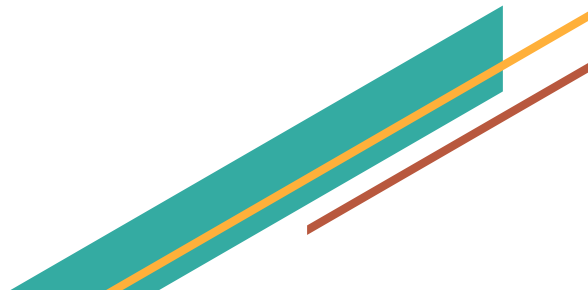
Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Onshore name from list - Table A0: Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	51 690	41 918	59 055	106 657	63 259	63 259	–	90 642	43 887	(4 699)
Other current investments > 90 days		(45 585)	(36 535)	(56 796)	1 253	44 651	44 651	–	17 268	69 850	124 578
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		6 104	5 383	2 259	107 910	107 910	107 910	–	107 910	113 737	119 879
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	–	(947)	(4 894)	(5 381)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(22 453)	(14 947)	(39 980)	(5 259)	(2 824)	(2 824)	–	(947)	(4 894)	(5 381)
Surplus(shortfall)		28 557	20 330	42 239	113 169	110 734	110 734	–	108 857	118 631	125 260



Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		-	-	-	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	5 564	5 564	5 564	5 820	6 087	6 367
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941



Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	3 092	3 092	3 092	3 235	3 383	3 539
Refuse (removed once a week for indigent households)		-	-	-	2 471	2 471	2 471	2 585	2 704	2 828
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	5 564	5 564	5 564	5 820	6 087	6 367
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		-	-	-	2 229	2 229	2 229	10 000	10 460	10 941

1 Part 2 – Supporting Documentation

8.5 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act. The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio Head for Finance. The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

8.5.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in September 2019) a time schedule that sets out the process to revise the IDP and prepare the budget. The Mayor tabled in Council the required IDP and budget time schedule on 30 September 2019. Key dates applicable to the process were:

- **September 2019** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2020/21 MTREF;
- **July/Aug 2019** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **August 2019** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2020** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2020** - Council considers the 2019/20 Mid-year Review and Adjustments Budget;
- **March 2020** - Recommendations of the Executive Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2020/21 MTREF is revised accordingly;
- **29 March 2020** - Tabling in Council of the draft 2019/20 IDP and 2021/2022 MTREF for public consultation;
- **June 2020** – Public consultation;
- **June 2020** - Closing date for written comments;
- **June 2020** – finalization of the 2020/21 IDP and 2020/21 to 2022/2023 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **June 2020** - Tabling of the 2020/2021-2022/2023 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council with regards to public consultations. According to the Budget Time Schedule, public consultations for draft IDP and Budget were scheduled to take place in April 2020 but due to Covid 19 pandemic and lockdown this activity could not take place. Digital public consultation was later conducted in June 2020 in accordance and in compliance with Covid 19 Disaster Management Act Regulations which required social distancing and prohibited mass social or business gatherings.



8.5.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Community needs identification;
- Strategic Planning
- Financial planning and budgeting process;
- Public participation process;
- Final Draft of IDP and Budget;
- Development of the SDBIP;
- Adoption of final IDP and Budget by Council, and
- Implementation

With the compilation of the 2021/23 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

8.5.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2021/23 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2021/23 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2019/20 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 99 has been taken into consideration in the planning and prioritisation process.

8.5.4 Community Consultation

The final 2021/23 MTREF as tabled before Council on 26 March 2020 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. Due to COVID 19 pandemic the council was unable to conduct IDP/Budget Roadshow in the conventional way of going to communities and physically interact with our citizens. COVID 19 Regulations prevented the council to convene mass meetings and instructed use of digital platforms to advance public participation. Social media platforms of the municipality were used to conduct community consultation. The inputs and comments that were made during this digital consultation were also incorporated into this IDP and responded to during the State of the Municipal Address which also conducted digitally.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.



8.6 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

AFS Implementation Plan

Week ending	Activity
2019-05-31	Produce restated and interim AFS
2019-06-07	Internal audit review on restated and interim AFS
2019-06-21	Audit committee review of the restated and interim AFS
2019-07-15	Notice to departments to close procurement
2019-07-14	Compilation of the first draft AFS
2019-07-21	Internal audit & Provincial Treasury review of the draft AFS
2019-07-31	Audit committee review of the draft AFS
2019-08-07	AG review of the restated, interim AFS and draft AFS
2019-08-22	Submission of the final AFS to internal audit for review
2019-08-28	Internal audit review of final AFS
2019-08-30	Submit final AFS to AG & treasuries

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements. The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning ;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2021 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.



The following table highlights the IDP's five strategic objectives for the 2020/2021 MTREF and further planning refinements that have directly informed the compilation of the budget.

Table 54 IDP Strategic Objectives

2019/20 Financial Year	2020/21 MTREF
1. Accelerate service delivery and infrastructure development	1. Accelerate service delivery and infrastructure development
2. Promote economic growth, environment sustainability and creation of decent jobs	2. Promote economic growth, environmental sustainability and creation of decent jobs
4. To improve the effectiveness of governance administrative and financial systems	3. To improve the effectiveness of governance administrative and financial systems

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

- ✓ Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the Municipality.
- ✓ Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- ✓ Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
- ✓ Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- ✓ Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimizing effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.

- ✓ Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- ✓ Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- ✓ Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2021/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.



Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient constructio,rehanilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			156 450	169 884		145 446			139 826	133 722	138 280
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			80	84		2 084			2 601	2 790	2 937
Strengthen intergrated planning, monitoring and evaluation of municipel bylaws	Improve the effectiveness of governance, administrative and financial systems			47 844	79 394		209 191			223 603	231 410	243 939
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	204 374	249 362	-	356 721	-	-	366 030	367 922	385 156



Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development			(41 956)	(65 130)		127 887			173 576	178 927	185 956
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs			8 594	7 540		14 898			18 760	19 773	20 840
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems			63 601	86 154		140 778			160 551	169 222	178 359
Allocations to other priorities												
Total Expenditure				30 239	28 564	-	283 563	-	-	352 887	367 922	385 156



Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital e

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
Efficient construction, rehabilitation and maintenance of municipal infrastructure	Accelerate service delivery and infrastructure development	A		10 783	33 628		94 510			71 289	42 227	44 536
		B										
		C										
		D										
		E										
Support the development of SMME's to participate in a diversified and growing economy	Promote sustainable economic growth and creation of decent jobs	F		34 761	17 547		1 185			1 500	1 569	1 641
		G										
		H										
		I										
		J										
Strengthen integrated planning, monitoring and evaluation of municipal bylaws	Improve the effectiveness of governance, administrative and financial systems	K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	56 065	70 432	–	102 622	–	–	88 784	59 900	63 021

8.7 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance. At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



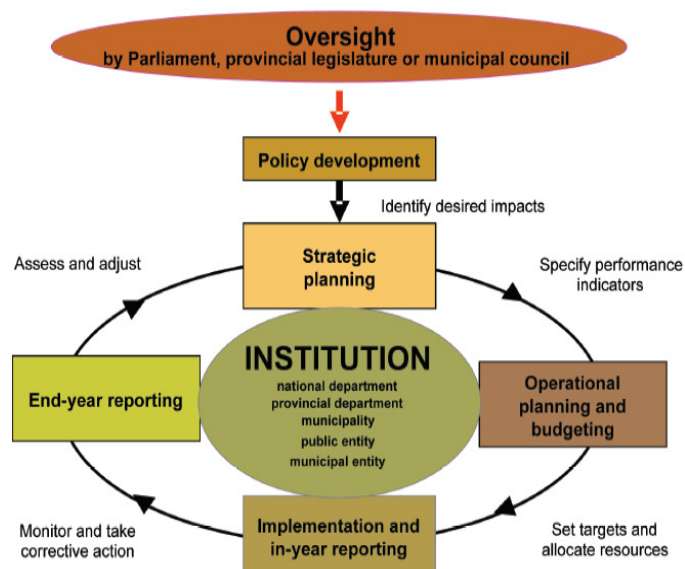


Figure 9 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

Table SA7 - Measurable performance objectives

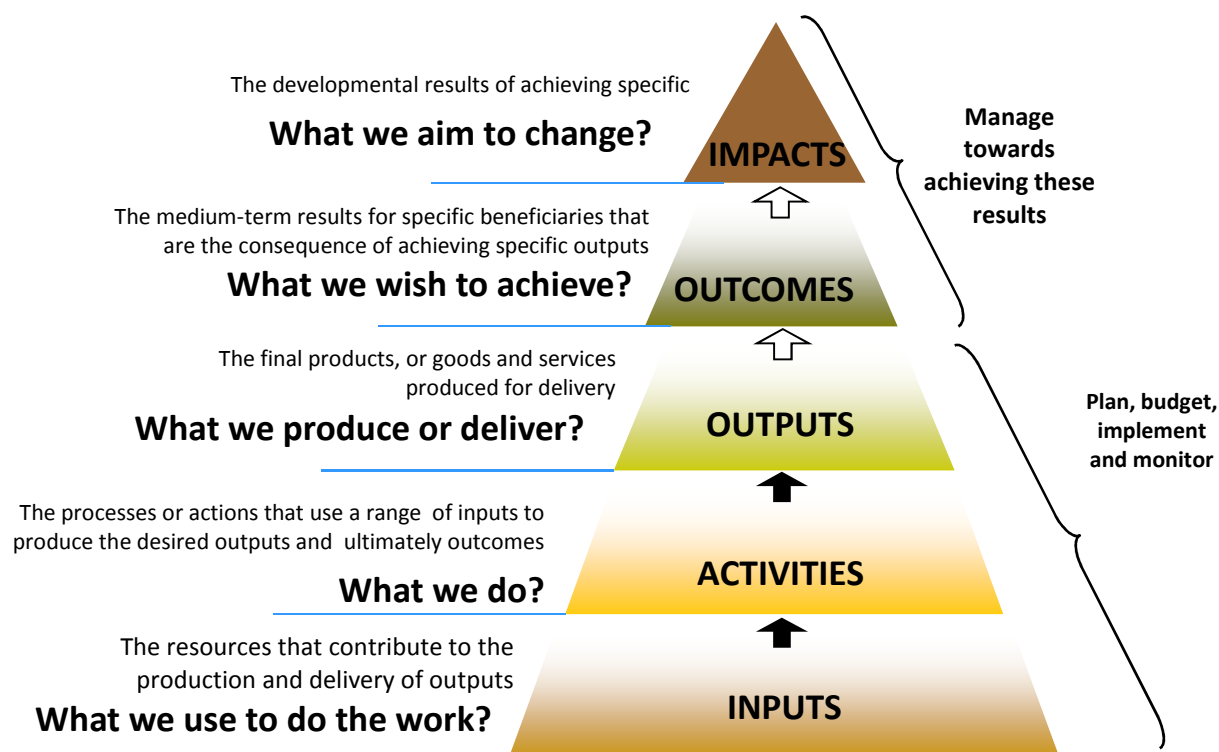
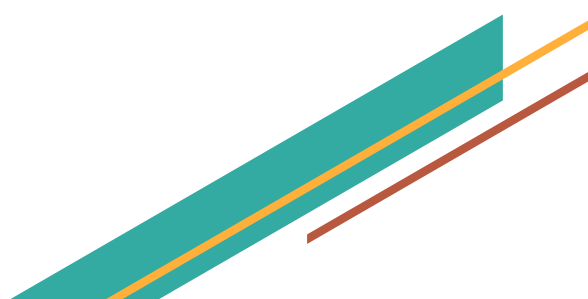


Figure 10 Definition of performance information concepts



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - Infrastructure Development & Planning										
Function 1 - (Roads Infrastructure)										
Sub-function 1 - (Roads)					25.0%					
Insert measure/s description										
Sub-function 2 - (Strategic Planning)					4.0%					
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Electricity Infrastructure)										
Sub-function 1 - (Energy)					18.7%					
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - Finance & Administration										
Function 1 - (Budget and Treasury Office)										
Sub-function 1 - (Finance)					15.0%					
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Corporate services)										
Sub-function 1 - (Administration)					5.3%					
Insert measure/s description										
Sub-function 2 - (ICT)					1.9%					
Insert measure/s description										
Sub-function 3 - (HR)					4.6%					
Insert measure/s description										
Vote 3 - Community Services										
Function 1 - (Community administration)										
Sub-function 1 - (Community services)					21.0%					
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Waste management)										
Sub-function 1 - (Solid waste)					4.5%					
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										



The following table sets out the municipalities the municipality's performance objectives for the MTREF.

Table SA8 Performance indicators and benchmarks

8.7.1.1 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1.5:1 as per national treasury norm. For the MTREF the current ratio is 2:1 and remains 2:1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.5:1 as per national treasury norm. 1. Anything below 1.5 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the Municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

8.7.1.2 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.
- Debtors turnover rate is 30 days. The billing is done on monthly bases.

8.7.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

8.7.1.4 Other Indicators

- The electricity distribution losses have been managed downwards from 24 per cent in the 2018/19 financial year, the plan is to reduce them to 10 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

8.7.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality, only registered indigents qualify for the free basic services. For the 2019/20 financial year 6 500 registered indigents have been provided for in the budget with this figured increasing to 10 000 by 2020/21.



In terms of the Municipality's indigent policy registered households are entitled, 50 KWH of electricity and free waste removal, as well as a discount on their property rates. Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table SA21.

8.8 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

8.8.1 Review of Indigent Policy

The emphasis of this policy is placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors. As most of the indigents within the municipal area are unable to pay for municipal services because due to a high unemployment rate, a process of registering such indigent households is being prioritised.

8.8.2 Supply Chain Management Policy

The Supply Chain Management Policy is tabled for adoption by Council in June 2020. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

8.8.3 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was amended on February 2019 in respect of both Operating and Capital Budget Fund Transfers.

8.8.4 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2019. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

8.8.5 Petty Cash Policy

The old Petty Cash Management Policy did not cater for all municipal departments, which results into the petty cash being replenished every week. In the new policy all departments have been catered for which is believed will improve day to day transacting on the petty cash.

8.8.6 Tariff Policy

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years. All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Credit control Policy;
- Supply chain management Policy
- Budget Policy
- Virement Policy
- Investment Policy
- Indigent Policy
- Tariff Policy

These budget related policies are reviewed annually.



8.9 Overview of budget assumptions

8.9.1 External factors

It must be noted that Elundini municipality is predominantly rural, therefore there are limited job opportunities within the municipal area. Be that as it may the municipality has managed to give jobs to many households through Expanded Public Works Programme. The municipality has set aside from its own reserves an amount of R2 million for the expansion of the EPWP programme in order to give more jobs to the community.

Financial resources are limited due to the non-payment of debtors, most households are indigent they cannot afford to pay municipal accounts. The municipality is forced to implement Indigent policy and write off debts for the qualifying debtors.

8.9.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity
- The increase in the cost of remuneration. Employee related costs comprise 34 per cent of total operating expenditure for the 2020/21 MTREF.

8.9.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate of 4.6%. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 80 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

8.9.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2020 and shall remain in force until 30 June 2021. The salary increase that has been applied is 6.25 percent for the 2020/2021 budget year.

8.9.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

8.9.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the MTREF of which performance has been factored into the cash flow budget.



8.9.7 Consolidated Investment Register for each and every grant received

ELUNDINI INVESTMENT REPORT									
		01 MAY 2020 TO 31 MAY 2020		INTEREST RECEIVED					
NAME OF INVESTMENT	PURPOSE	ACCOUNT NO	BALANCE AS AT 01/05/2019			WITHDRAWALS	DEPOSIT		TOTAL AS AT 31/05/2019
ELUNDINI EXPAND PUBLIC WORKS	EX PUBLIC WORKS PROGRA	388497173-001	R 2 946 695.22	R 6 854.09		R 0.00	-		R 2 953 549.31
ELUNDINI VOTER STATION	INFRASTRUCTURE GRANT	388497165-001	R 1 507.70	R 1.06		0			R 1 508.76
EQUITABLE SHARE FNB	SUBSIDY FOR POOR	62189194170	R 14 031 301.64	33 841.00		8 987 213.06			R 5 077 929.58
FINANCE MANAGEMENT GRANT	CONDITIONAL GRANT	388493410-002	R 1 761 570.41	R 4 097.46		R 0.00			R 1 765 667.87
MAYOR'S SOCIAL INVESTMENT		62378875226	R 533 603.44	R 1 162.23		0			R 534 765.67
MACLEAR GREENFIELDS	CONDITIONAL GRANT	388493003-001	R 1 353.15	R 0.95		0			R 1 354.10
MIG	CONDITIONAL GRANT	62189180111	R 10 659 524.40	R 32 155.11		1 252 399.18			R 9 439 280.33
NER	ELECTRICITY UPGRADING	388490810-001	R 9 695 523.54	R 24 677.10		R 5 311 419.48			R 4 408 781.16
WORKING CAPITAL RESERVE	RESEVERS	62284785121	R 52 320 993.07	223 618.49		0			R 52 544 611.56
JOE GOABI	WATER AND SANITAION	62557779322	R 5 579 558.99	R 17 006.19		0			R 5 596 565.18
ENERGY EFFICIENCY	CONDITIONAL GRANT	62785909650	R 180 260.46	549.42		-			R 180 809.88
TOTAL			R 97 711 892.02	R 343 963.10		R 15 551 031.72	R 0.00		R 82 504 823.40

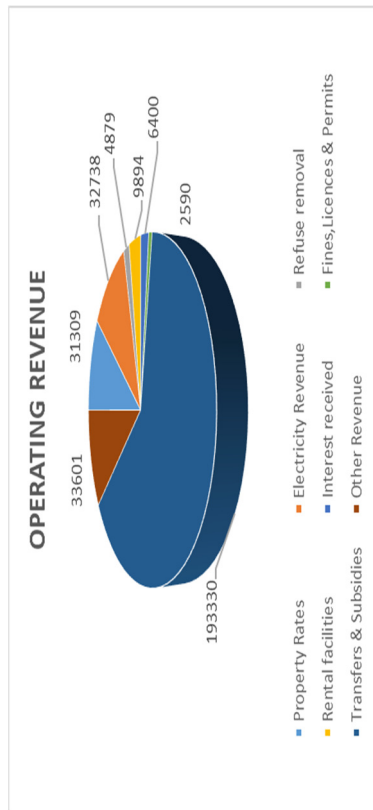
8.9.8 Grants receipts and Expenditure

SegmentDesc	2019 Year Receipt	2019 % Spent	2020 Year Receipt	2020 % Spent
Operational Grants				
Equitable Share	138 382 000.00	100%	152 511 000.00	75%
Financial Management Grant	1 700 000.00	100%	1 700 000.00	26%
Gnats	1 777 000.00	100%	2 883 000.00	82%
Energy Efficiency	5 000 000.00	100%	-	
Capital Grants				
Municipal Infrastructure Grant	38 207 000.00	100%	37 001 000.00	93%
Inerp	25 636 000.00	100%	21 000 000.00	68%
Premiours Office Grant	29 588 000.00	100%	27 905 000.00	55%
Total	240 290 000.00		243 000 000.00	

8.10 Overview of budget funding

8.10.1 Medium-term outlook: operating revenue

The following graph is a breakdown of the operational revenue per main category for the 2020/21 financial year.



R thousand	Description	Ref	Current Year 2019/20					2020/21 Medium Term Revenue & Expenditure Framework				
			2016/17	2017/18	2018/19	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
			Audited Outcome	Audited Outcome	Audited Outcome							
Revenue By Source												
1	Property rates	2	17 218	17 501	23 203	29 932	29 932	29 932	-	31 309	32 749	34 256
2	Service charges - electricity revenue	2	19 233	24 734	29 137	34 391	34 391	34 391	-	35 973	37 628	39 359
2	Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
2	Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
2	Service charges - refuse revenue	2	4 759	685	4 145	7 461	3 041	3 041	-	3 223	3 372	3 527
	Rental of facilities and equipment		1 575	1 463	8 235	9 459	9 459	9 459		9 894	10 349	10 825
	Interest earned - external investments		4 539	4 778	5 515	2 568	4 500	4 500		4 707	4 924	5 150
	Interest earned - outstanding debtors		1 804	1 899	1 970	1 369	5 618	5 618		5 933	6 206	6 491
	Dividends received		-	-	-	-	-	-		-	-	-
	Fines, penalties and forfeits		472	368	1 166	259	259	259		271	284	297
	Licences and permits		2 371	2 014	2 796	2 217	2 217	2 217		2 318	2 425	2 537
	Agency services					520	520	520		544	569	595
	Transfers and subsidies		152 226	168 566	173 496	159 791	180 791	180 791		192 734	196 456	202 761
2	Other revenue		1 308	8 946	1 287	30 000	41 285	41 285	-	44 634	41 857	43 933
	Gains					448	448			468	490	513
	Total Revenue (excluding capital transfers and contributions)		205 505	230 953	250 951	278 415	312 462	312 014	-	332 010	337 308	350 243
Expenditure By Type												
2	Employee related costs		70 300	79 764	98 972	100 012	104 900	104 900	-	113 948	119 189	124 672
	Remuneration of councillors		10 229	12 028	12 028	12 736	12 736	12 736		13 851	14 488	15 154
3	Debt impairment		9 185	1 686	10 085	1 773	1 773	1 773		2 061	2 156	2 255
2	Depreciation & asset impairment		26 956	32 793	30 157	34 498	34 498	34 498	-	36 085	37 745	39 481
	Finance charges		1 205	1 370	1 489	56	56	56		209	218	228
2	Bulk purchases		21 295	20 023	20 821	30 757	30 757	30 757	-	32 171	33 651	35 199
8	Other materials		9 619	13 480	19 025	1 705	1 902	1 902		1 759	1 840	1 925
	Contracted services		2 727	2 380	69 241	47 295	70 801	70 801	-	101 542	96 106	97 946
	Transfers and subsidies		-	-	2 428	-	-	-	-	-	-	-
4, 5	Other expenditure		72 770	79 714	42 763	54 731	54 327	54 327	-	68 531	71 684	74 981
	Losses		-	-	1 259	-	-	-	-	-	-	-
	Total Expenditure		224 288	243 237	289 243	283 563	311 750	311 750	-	370 156	377 077	391 841
	Surplus/(Deficit)		(18 783)	(12 284)	(38 292)	(5 148)	712	264	-	(38 146)	(39 769)	(41 598)
	Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		41 386	70 276	59 981	78 306	64 906	64 906		51 288	39 769	42 505
6	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
	Transfers and subsidies - capital (in-kind - all contributions)											
	Surplus/(Deficit) after capital transfers & contributions		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
	Taxation											
	Surplus/(Deficit) after taxation		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
	Attributable to minorities											
	Surplus/(Deficit) attributable to municipality		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907
7	Share of surplus/ (deficit) of associates											
	Surplus/(Deficit) for the year		22 603	57 991	21 689	73 158	65 618	65 170	-	13 142	0	907

Description	Ref	2016/17			2017/18			2018/19			Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent																
Monthly Account for Household - 'Middle Income' Range	1															
Rates and services charges:																
Property rates		4 407.98	4 690.09								473.21				536.16	560.83
Electricity: Basic levy		1 459.60	1 503.36								141.08				167.80	175.52
Electricity: Consumption		18 013.73	18 431.35								1 778.20				1 834.13	1 918.50
Water: Basic levy																
Water: Consumption																
Sanitation																
Refuse removal		1 269.61	1 350.86								124.94				138.53	144.90
Other																
sub-total		25 150.91	25 975.65								2 517.43			1.6%	2 676.62	2 799.75
VAT on Services		3 111.44	3 192.84								306.63				321.07	335.84
Total large household bill:		28 262.35	29 168.49								2 824.06			1.5%	2 997.70	3 135.59
% increase/decrease			3.2%									(100.0%)			4.6%	4.6%
Monthly Account for Household - 'Affordable' Range	2															
Rates and services charges:																
Property rates		3 120.98	3 320.72								335.05				382.98	400.59
Electricity: Basic levy		1 459.60	1 503.36								141.08				167.80	175.52
Electricity: Consumption		9 070.37	9 319.85								913.76				703.11	735.45
Water: Basic levy																
Water: Consumption																
Sanitation																
Refuse removal		1 269.61	1 350.86								124.94				138.53	144.90
Other																
sub-total		14 920.55	15 494.79								1 514.83			(12.1%)	1 392.41	1 456.47
VAT on Services		1 769.94	1 826.11								176.97				151.41	158.38
Total small household bill:		16 690.48	17 320.90								1 691.79			(12.8%)	1 543.83	1 614.84
% increase/decrease			3.8%									(100.0%)			4.6%	4.6%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3															
Rates and services charges:																
Property rates		1 833.98	1 951.35								196.88				229.79	240.36
Electricity: Basic levy		969.28	998.40								93.69				111.44	116.57
Electricity: Consumption		4 410.30	4 492.98								422.71			(2.9%)	429.11	448.85
Water: Basic levy																
Water: Consumption																
Sanitation																
Refuse removal		1 269.61	1 350.86								124.94			6.0%	138.53	144.90
Other																
sub-total		8 483.16	8 793.59								838.22			3.7%	908.87	950.68
VAT on Services		997.38	1 026.34								96.20			#NAME?	101.86	106.55
Total small household bill:		9 480.53	9 819.93								934.42			3.4%	1 010.73	1 057.23
% increase/decrease			3.6%									(100.0%)			4.6%	4.6%

SA15 – Detail Investment Information

Investment type	Ref	2016/17		2017/18		2018/19		Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand														
Parent municipality														
Securities - National Government	1													
Listed Corporate Bonds														
Deposits - Bank														
Deposits - Public Investment Commissioners														
Deposits - Corporation for Public Deposits														
Bankers Acceptance Certificates														
Negotiable Certificates of Deposit - Banks														
Guaranteed Endowment Policies (sinking)														
Repurchase Agreements - Banks														
Municipal Bonds														
Municipality sub-total			-		-		-		112 563	-	-	87 148	91 157	95 350
Entities														
Securities - National Government	1													
Listed Corporate Bonds														
Deposits - Bank														
Deposits - Public Investment Commissioners														
Deposits - Corporation for Public Deposits														
Bankers Acceptance Certificates														
Negotiable Certificates of Deposit - Banks														
Guaranteed Endowment Policies (sinking)														
Repurchase Agreements - Banks														
Entities sub-total			-		-		-		-	-	-	-	-	-
Consolidated total:			-		-		-		112 563	-	-	87 148	91 157	95 350

Table SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment		Type of Investment	Capital Guarantee (Yea/ No)	Variable or Fixed Interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (d)	Investment Top Up	Closing Balance
		1	Yea/Months												
Parent municipality															
FNB											85 638	316	(9 906)	-	76 048
STD											16 376	36	(5 311)	-	11 100
Municipality sub-total											102 014		(15 217)	-	87 148
Entities															
Entities sub-total											-		-	-	-
TOTAL INVESTMENTS AND INTEREST											102 014		(15 217)	-	87 148

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted deficit of R38.1 million, R39.7 million and R41.5 million in each of the financial years. This deficit has to be cleared by building capital replacement fund account in order to be able to replace assets that are fully depreciated.



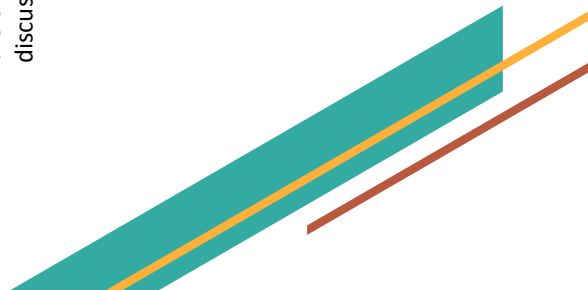
8.10.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Table A5 Sources of capital revenue over the MTREF

R thousand	Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
1												
	Funded by:											
	National Government		31 964	51 173	46 307	58 001	37 001			36 768	39 769	42 505
	Provincial Government					20 305	27 905			14 520	-	-
	District Municipality											
	Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)											
4	Transfers recognised - capital		31 964	51 173	46 307	78 306	64 906	-	-	51 288	39 769	42 505
6	Borrowing											
	Internally generated funds		24 101	19 259	15 847	24 316	23 138			37 496	20 131	20 516
7	Total Capital Funding		56 065	70 432	62 154	102 622	88 043	-	-	88 784	59 900	63 021

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R37.4 million in 2020/21, R20.1 million and R20.5 million for the two outer years.



Description	Ref	2016/17			2017/18			2018/19			Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome			Audited Outcome			Audited Outcome			Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23		
R thousand																		
RECEIPTS:	1, 2																	
Operating Transfers and Grants																		
National Government:		148 058	168 465	-							159 041	180 041	180 041	192 580	195 706	202 011		
Local Government Equitable Share		127 070	134 116								152 511	152 511	152 511	161 277	170 913	178 602		
EPWP Incentive		1 863	2 649								2 883	2 883	2 883	3 333	-	-		
Integrated National Electrification Programme		17 500	30 000								-	21 000	21 000	18 739	21 000	19 500		
Energy Efficiency and Demand Management		-	-								-	-	-	5 000	-	-		
Finance Management		1 625	1 700								1 700	1 700	1 700	1 700	1 700	1 700		
		-	-								-	-	-	596	-	-		
Municipal Infrastructure Grant											1 947	1 947	1 947	1 935	2 093	2 209		
Provincial Government:		750	750	-							750	750	750	750	750	750		
Sport and Recreation		750	750								750	750	750	750	750	750		
Sport and Recreation			-								-	-	-					
Sport and Recreation			-								-	-	-					
Financial Management Grant																		
District Municipality:		-	-	-							-	-	-	-	-	-		
[insert description]																		
Other grant providers:		-	-	-							-	-	-	-	-	-		
[insert description]																		
Total Operating Transfers and Grants	5	148 808	169 215	-							159 791	180 791	180 791	193 330	196 456	202 761		
Capital Transfers and Grants																		
National Government:		42 250	69 622	-							58 001	37 001	37 001	36 768	39 769	42 505		
Municipal Infrastructure Grant (MIG)		42 250	39 587								37 001	37 001	37 001	36 768	39 769	42 505		
		-	30 035															
INEP											21 000	-	-					
Provincial Government:		-	-	-							20 305	27 905	27 905	14 520	-	-		
Premious office											20 305	27 905	27 905	14 520	-	-		
District Municipality:		-	-	-							-	-	-	-	-	-		
[insert description]																		
Other grant providers:		-	-	-							-	-	-	-	-	-		
[insert description]																		
Total Capital Transfers and Grants	5	42 250	69 622	-							78 306	64 906	64 906	51 288	39 769	42 505		
TOTAL RECEIPTS OF TRANSFERS & GRANTS		191 058	238 837	-							238 097	245 697	245 697	244 618	236 225	245 266		

8.10.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

8.10.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Table A8 - Cash backed reserves/accumulated surplus reconciliation

8.10.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table SA10 – Funding compliance measurement

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	41 918	59 055	565 464	114 642	74 863	74 863	–	12 707	(10 862)	(48 402)
Cash + investments at the yr end less applications - R'000	18(1)b	2	7 291	6 245	59 051	147 926	12 006	18 863	–	47 200	53 030	62 292
Cash year end/monthly employee/supplier payments	18(1)b	3	3.4	4.6	29.2	6.4	3.7	3.7	–	0.5	(0.4)	(1.9)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	22 603	57 991	21 689	73 158	65 618	65 170	–	13 143	(0)	(0)
Service charge rev % change - macro CPI target exclusive	18(1)a(2)	5	N.A.	(1.9%)	25.6%	21.1%	(12.2%)	(6.0%)	(106.0%)	(3.7%)	(1.5%)	(1.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	68.6%	74.9%	114.3%	95.2%	86.8%	86.8%	0.0%	86.1%	82.9%	81.6%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	22.3%	3.9%	17.9%	2.5%	2.6%	2.6%	0.0%	7.5%	7.5%	7.6%
Capital payments % of capital expenditure	18(1)c(19)	8	100.0%	89.4%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	102.6%	1.5%	174.2%	338.0%	0.0%	(100.0%)	(91.9%)	(12.5%)	15.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	2.6%	2.2%	0.0%	0.0%	4.9%	5.4%	5.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



8.1.1 Expenditure on grants and reconciliations of unspent funds

8.1.2 Councilors and employee benefits

Table SA22 - Summary of councilors and staff benefits

Summary of Employee and Councillor remuneration		Ref	2016/17			2017/18			2018/19			Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	B	A	Audited Outcome	B	C	Audited Outcome	D	E	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23				
Councillors (Political Office Bearers plus Other)	1																		
4																			
2																			
Senior Managers of the Municipality																			
3																			
3																			
3																			
3																			
6																			
4																			
Other Municipal Staff																			

Country	1990 (%)	2000 (%)	2010 (%)	2020 (%)
United States	12.5	13.5	14.5	15.5
Germany	11.5	12.5	13.5	14.5
France	11.0	12.0	13.0	14.0
Italy	10.5	11.5	12.5	13.5
Spain	10.0	11.0	12.0	13.0
Japan	9.5	10.5	11.5	12.5
China	8.5	9.5	10.5	11.5
India	7.5	8.5	9.5	10.5
United Kingdom	6.5	7.5	8.5	9.5

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		593 971	-	226 940			820 911
Chief Whip			300 411	-	133 789			434 200
Executive Mayor			796 089	-	275 277			1 071 366
Deputy Executive Mayor			-					-
Executive Committee			1 870 770	-	535 181			2 405 951
Total for all other councillors			5 539 264	-	2 891 032			8 430 296
Total Councillors	8	-	9 100 505	-	4 062 219			13 162 724
Senior Managers of the Municipality	5							
Municipal Manager (MM)			959 162	148 457 ✓	417 196	12 048		1 536 863
Chief Finance Officer			1 061 383	66 150	143 550	-		1 271 083
Director-Community		✓	909 324	152 046	284 829	55 032		1 401 231
Director-Corporate			923 888	40 442 ✓	383 090	27 836		1 375 256
Director-Infrastructure			865 163	1 958	195 750	-		1 062 871
Director-Strategic			963 573	2 832	203 580	-		1 169 985
List of each official with packages >= senior manager								
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	5 682 493	411 885	1 627 995	94 916		7 817 289
A Heading for Each Entity	6,7							
List each member of board by designation								
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	14 782 998	411 885	5 690 214	94 916		20 980 013



Table SA24 –Summary of personnel numbers

Summary of Personnel Numbers	Ref	2018/19			Current Year 2019/20			Budget Year 2020/21		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	4	34	–	34	34	–	34	34	–	34
Board Members of municipal entities	5	–	–	–	–	–	–	–	–	–
Municipal employees	3	6	–	6	6	–	6	6	–	6
Municipal Manager and Senior Managers	7	21	21	–	21	21	–	20	20	–
Other Managers										
Professionals		4	4	–	4	4	–	8	8	–
Finance								8	8	–
Spatial/town planning		1	1	–	1	1	–			
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other		3	3	–	3	3	–			
Technicians		20	15	5	20	15	5	36	31	5
Finance		–	–	–	–	–	–			
Spatial/town planning								8	8	–
Information Technology		3	3	–	3	3	–	3	3	–
Roads		2	2	–	2	2	–	5	5	–
Electricity		10	10	–	10	10	–	15	15	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		5	–	5	5	–	5	5	–	5
Clerks (Clerical and administrative)		85	85	–	85	85	–	93	93	–
Service and sales workers		20	20	–	20	20	–	26	26	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		40	40	–	40	40	–	50	50	–
Elementary Occupations		97	97	–	97	97	–	68	68	–
TOTAL PERSONNEL NUMBERS	9	327	282	45	327	282	45	341	296	45
% increase					–	–	–	4.3%	5.0%	–
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Revenue By Source																
Property rates		5 574	2 461	2 463	2 430	2 457	2 462	2 462	2 511	2 051	1 321	2 461	2 657	31 309	32 693	34 138
Service charges - electricity revenue		2 026	2 956	2 686	2 655	59	2 570	2 694	3 500	4 001	4 064	4 231	1 297	32 738	34 244	35 820
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		464	60	60	57	68	60	60	430	499	437	489	2 196	4 879	5 103	5 338
Rental of facilities and equipment		609	149	516	147	402	1 810	150	1 220	1 051	1 222	1 348	1 269	9 894	10 349	10 825
Interest earned - external investments		257	110	424	380	400	782	12	450	468	400	458	567	4 707	4 924	5 150
Interest earned - outstanding debtors		158	144	133	126	113	111	122	188	174	168	198	58	1 693	1 771	1 852
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		17	7	7	17	20	22	11	35	37	30	34	36	271	284	297
Licences and permits		302	153	239	166	118	188	149	199	200	201	189	215	2 316	2 425	2 537
Agency services		115	–	–	–	–	–	–	–	–	–	–	429	544	569	586
Transfers and subsidies		56 000	–	494	1 707	750	59 000	1 178	908	69 801	998	1 012	1 483	193 330	196 456	202 761
Other revenue		14	860	–	–	1 311	1 147	1 013	6 058	6 201	4 451	7 901	3 633	32 589	38 845	42 827
Gains		–	–	–	–	–	–	–	–	–	–	–	0	468	490	513
Total Revenue (excluding capital transfers and contributions)		65 537	6 899	7 021	7 684	5 698	68 151	7 848	15 499	84 483	13 292	18 789	13 840	314 741	328 153	342 651
Expenditure By Type																
Employee related costs		40	–	(44)	7 785	–	43 660	10 417	9 801	10 641	8 841	12 514	16 915	120 570	127 081	133 943
Remuneration of councillors		93	–	2 028	–	–	5 077	1 108	1 008	998	1 010	1 021	850	13 193	13 905	14 656
Debt impairment		–	–	–	–	–	(863)	–	–	–	–	–	6 009	5 146	5 423	5 716
Depreciation & asset impairment		–	–	–	–	–	2 988	–	–	–	–	–	30 012	33 000	34 782	36 660
Finance charges		–	31	33	35	36	–	–	–	–	–	–	73	209	220	232
Bulk purchases		5 648	–	2 538	1 587	1 542	1 457	1 406	2 201	2 325	1 598	1 664	1 034	23 000	24 242	25 551
Other materials		34	4	3	55	4	5	68	301	315	288	308	374	1 759	1 854	1 955
Contracted services		2 733	2 968	3 871	4 185	2 639	5 429	2 791	15 385	14 998	15 001	14 998	10 831	95 829	96 983	99 586
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		5 690	2 752	3 443	5 273	3 201	6 205	4 767	7 304	6 440	7 241	7 542	322	60 180	63 431	66 857
Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		14 238	5 754	11 872	18 921	7 422	63 958	20 557	36 000	35 717	33 979	38 047	66 420	352 886	367 922	385 156
Surplus/(Deficit)		51 299	1 145	(4 851)	(11 238)	(1 724)	4 192	(12 708)	(20 501)	48 766	(20 687)	(19 258)	(52 581)	(38 145)	(39 769)	(42 505)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		5 408	6 293	1 314	17 437	166	–	9 170	–	11 500	–	–	(0)	51 288	39 769	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departments, Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		56 706	7 438	(3 537)	6 200	(1 558)	4 192	(3 537)	(20 501)	60 266	(20 687)	(19 258)	(52 581)	13 143	(0)	(0)
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	56 706	7 438	(3 537)	6 200	(1 558)	4 192	(3 537)	(20 501)	60 266	(20 687)	(19 258)	(52 581)	13 143	(0)	(0)

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council														-	-	-
Vote 2 - Budget and Treasury														-	-	-
Vote 3 - Corporate drin														-	-	-
Vote 4 - Community Services														-	-	-
Vote 5 - Strategic Planning Development														-	-	-
Vote 6 - Infrastructure Planning & Development														-	-	-
Vote 7 - [NAME OF VOTE 7]														-	-	-
Vote 8 - [NAME OF VOTE 8]														-	-	-
Vote 9 - [NAME OF VOTE 9]														-	-	-
Vote 10 - [NAME OF VOTE 10]														-	-	-
Vote 11 - [NAME OF VOTE 11]														-	-	-
Vote 12 - [NAME OF VOTE 12]														-	-	-
Vote 13 - [NAME OF VOTE 13]														-	-	-
Vote 14 - [NAME OF VOTE 14]														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		-		-	131	52	(57)	13	1 300	-	-	-	0	1 300	1 569	1 641
Vote 2 - Budget and Treasury		1 027		308	111	(1)	22	45	1 000	1 254	1 246	1 401	1 332	8 345	8 206	8 583
Vote 3 - Corporate drin		4 520		-	-	-	-	-	326	350	300	389	265	6 150	6 328	6 619
Vote 4 - Community Services		-	106	82	13	64	-	-	615	555	689	555	661	3 340	3 494	3 654
Vote 5 - Strategic Planning Development		-	-	12	-	-	461	-	205	199	200	238	185	1 500	1 569	1 641
Vote 6 - Infrastructure Planning & Development		-	12 308	5 360	11 407	8 167	1 563	2 810	4 000	3 946	2 894	3 894	11 599	67 949	38 734	40 881
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	14 642	88 784	59 900	63 021
Total Capital Expenditure	2	5 548	12 414	5 762	11 662	8 282	1 989	2 868	7 506	6 304	5 329	6 477	14 642	88 784	59 900	63 021

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand																
Capital Expenditure - Functional	1															
Governance and administration														15 995	15 995	16 103
Executive and council														1 500	1 500	1 569
Finance and administration														14 495	14 495	14 534
Internal audit														-	-	-
Community and public safety														260	260	272
Community and social services														100	100	105
Sport and recreation														150	150	157
Public safety														10	10	11
Housing														-	-	-
Health														-	-	-
Economic and environmental services														65 238	65 238	35 898
Planning and development														1 500	1 500	1 569
Road transport														63 738	63 738	34 329
Environmental protection														-	-	-
Trading services														7 291	7 291	7 626
Energy sources														4 211	4 211	4 405
Water management														-	-	-
Waste water management														-	-	-
Waste management														3 080	3 080	3 222
Other														-	-	-
Total Capital Expenditure - Functional	2	-	-	-	-	-	-	-	-	-	-	-	-	88 784	88 784	59 900
Funded by:																
National Government														36 768	36 768	39 769
Provincial Government														14 520	14 520	-
District Municipality														-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)														-	-	-
Transfers recognised - capital														51 288	51 288	39 769
Borrowing														-	-	-
Internally generated funds														37 496	37 496	20 131
Total Capital Funding		-	-	-	-	-	-	-	-	-	-	-	-	88 784	88 784	59 900

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand															
Cash Receipts By Source															
Property rates	2 479	2 479	2 479	2 479	2 479	2 479	2 479	2 479	2 479	2 479	2 479	2 479	29 744	31 112	32 543
Service charges - electricity revenue	2 998	2 998	2 998	2 998	2 998	2 998	2 998	2 998	2 998	2 998	2 998	2 998	35 973	37 628	39 359
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	282	282	282	282	282	282	282	282	282	282	282	282	3 388	3 543	3 706
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	392	392	392	392	392	392	392	392	392	392	392	392	4 707	4 924	5 150
Interest earned - outstanding debtors	494	494	494	494	494	494	494	494	494	494	494	494	5 933	6 206	6 491
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	16 111	16 111	16 111	16 111	16 111	16 111	16 111	16 111	16 111	16 111	16 111	16 111	193 339	196 456	202 761
Other revenue	2 580	2 580	2 580	2 580	2 580	2 580	2 580	2 580	2 580	2 580	2 580	2 580	30 959	32 383	33 873
Cash Receipts by Source		25 336	25 336	25 336	25 336	25 336	25 336	25 336	25 336	25 336	25 336	25 336	304 033	312 252	323 883
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 274	4 274	4 274	4 274	4 274	4 274	4 274	4 274	4 274	4 274	4 274	4 274	51 288	41 105	42 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	39	39	39	39	39	39	39	39	39	39	39	39	468	498	513
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	4 313	29 649	29 649	29 649	29 649	29 649	29 649	29 649	29 649	29 649	29 649	29 649	355 790	353 854	366 900
Cash Payments by Type															
Employee related costs	10 048	10 048	10 048	10 048	10 048	10 048	10 048	10 048	10 048	10 048	10 048	10 048	120 570	127 081	133 943
Remuneration of councillors	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 096	1 106	13 162	13 905	14 656
Finance charges	17	17	17	17	17	17	17	17	17	17	17	17	209	220	232
Bulk purchases - Electricity	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 000	24 242	25 551
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	141	139	199	98	59	104	165	188	179	151	169	147	1 759	1 854	1 955
Contracted services	3 600	5 800	8 851	7 896	8 000	6 541	8 865	7 851	10 541	9 854	10 400	7 630	95 828	96 983	99 586
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3 561	4 201	3 301	4 451	5 541	3 854	5 961	5 575	4 001	3 984	4 561	11 189	60 180	53 238	65 497
Cash Payments by Type	20 380	23 218	25 429	25 523	26 678	23 577	28 069	26 692	27 799	27 067	28 228	32 054	314 709	317 523	341 420
Other Cash Flows/Payments by Type															
Capital assets	7 399	7 399	7 399	7 399	7 399	7 399	7 399	7 399	7 399	7 399	7 399	7 399	88 784	59 900	63 021
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments															
Total Cash Payments by Type	27 778	30 616	32 827	32 921	34 076	30 975	35 467	34 090	35 197	34 465	35 626	39 453	403 493	377 423	404 440
NET INCREASE/(DECREASE) IN CASH HELD	(23 465)	(667)	(3 178)	(3 272)	(4 427)	(1 326)	(5 818)	(4 441)	(5 548)	(4 816)	(5 977)	(9 804)	(47 704)	(23 568)	(37 540)
Cash/cash equivalents at the month/year begin:	60 411	36 946	35 979	32 800	29 528	25 101	23 775	17 957	13 516	7 968	3 152	(2 825)	60 411	12 707	(10 862)
Cash/cash equivalents at the month/year end:	36 946	35 979	32 800	29 528	25 101	23 775	17 957	13 516	7 968	3 152	(2 825)	(12 629)	12 707	(10 862)	(48 402)



8.13 Annual budgets and SDBIPs – internal departments

8.14 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

8.15 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table SA35 Future financial implications of the capital budget

Choose name from list - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 2 - Budget and Treasury		8 345	8 206	8 583	8 978	9 391	9 823	10 275
Vote 3 - Corporate dmin		6 150	6 328	6 619	6 924	7 242	7 576	7 924
Vote 4 - Community Services		3 340	3 494	3 654	3 822	3 998	4 182	4 375
Vote 5 - Strategic Planning Development		1 500	1 569	1 641	1 717	1 796	1 878	1 965
Vote 6 - Infrastructure Planning & Development		67 949	38 734	40 881	42 762	44 729	46 786	48 939
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		88 784	59 900	63 021	65 920	68 952	72 124	75 442
Future operational costs by vote	2							
Vote 1 - Executive & Council								
Vote 2 - Budget and Treasury								
Vote 3 - Corporate dmin								
Vote 4 - Community Services								
Vote 5 - Strategic Planning Development								
Vote 6 - Infrastructure Planning & Development								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		88 784	59 900	63 021	65 920	68 952	72 124	75 442

Table SA36 - Detailed capital budget per municipal vote

Choose name from list - Supporting Table SA36 Detailed capital budget

Function	Project Description	Project Number	Type	WSP Service Outcome	IUF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2018/19	Current Year 2019/20 Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Parent municipality: List all capital projects proposed by Council																
Supplying of Sewerable Streets - Phase 1														1 070	5 240	4 480
103 to Upper Taboro Access Road														800	523	547
Katberg Access Road														500	523	547
Supplying & Rehabilitation of Water Roads (Class 1 Roads)														10 900	11 400	12 019
Phenoxing Phe-Robed														1 400	2 040	2 739
Nobles Court Road														1 840	5 960	6 172
Slack Community Hall														2 670	3 829	4 015
Shona Access Road														4 270	4 472	4 677
Shonony Access Road														3 880	3 962	4 040
Quile Rocks Access Road and Bridge														-	-	-
Pretorius Office project														14 520	-	-
Belgays														5 800	6 007	6 340
Eastlake City														1 400	1 440	1 520
Vehicles														2 000	2 015	2 739
Master systems etc and 100														4 500	4 707	4 924
Municipal Buildings														5 000	-	-
Access control														1 200	-	-
Recreation														3 000	-	-
Public Works - Covid19														6 800	-	-
Municipal Tents Covid19														200	-	-
Children														400	6 007	7 739
Other Assets														6 800	-	-
Parent Capital expenditure														-	-	88 780
Entity A Water project A																
Entity B Electricity project B																
Entity Capital expenditure														-	-	-
Total Capital expenditure														-	-	88 780

Table SA37: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class	Asset Sub-Class	GPS co-ordinates	Previous target year to complete	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework
R thousand	1.2							Original Budget	Budget Year +1 2019/20
Parent municipality: List all capital projects grouped by Municipal Vote									
Parent municipality: List all capital projects grouped by									
Parent municipality: List all capital projects grouped by									
		Upgrade of Sonawale Roads and Upgrade of Vincent streets and storm water				31°04'18" S		R 6 037 076.51	R 9 633 607.64
		Upgrade of Sthole streets and storm water				31°04'58" S		R 1 971 064.13	R 6 928 964.00
		Upgrade of Sthole streets and storm water				31°04'25" S		R 2 639 739.52	R 4 800 000.00
		Liphofung access road				30°41'59" S		R 10 125 000.00	R 4 616 909.50
		Construction of Ntabayikhonjwa				30°31'52" S		R 4 500 000.00	R 3 164 968.86

Table SA38: Detailed capital budget per municipal vote (continued)

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individualy Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes	2018/19 Medium Term Revenue & Expenditure Framework	Project information			
R thousand	4			2	6			5		Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2019/19	Budget Year +1 2020/20	Budget Year +2 2020/21	Ward location
Parent municipality:															
List all operational projects grouped by Municipal Vote															
Community services		EPWP programme			No	Electrical infrastructure	MV Networks	0		1 777	-	-	-	-	0
BTO		Internship programme			No	Electrical infrastructure	MV Networks	0		1 700	1 700	-	-	-	
Community services		Libraries			No	Electrical infrastructure	MV Networks	0		750	750	800	800		
Solid waste		Greenest town			No	Electrical infrastructure	MV Networks	0		500	500	-	-	-	
Infrastructure development		NEP projects			No	Electrical infrastructure	MV Networks								
Infrastructure development		176 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3004730° S 2803230° E			3 096	3 096	4 110	4 110	
Infrastructure development		210 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3004730° S 2803230° E			4 410	4 410	4 904	4 904	
Infrastructure development		160 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3004613° S 2803108° E			3 360	3 360	3 756	3 756	
Infrastructure development		111 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3003334° S 2802508° E			2 331	2 457	2 692	2 692	
Infrastructure development		35 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3004500° S 2802500° E			735	775	817	817	
Infrastructure development		107 connections and associated MV & LV infrastructure.			No	Electrical infrastructure	MV Networks	3002510° S 2802500° E			3 007	3 008	3 360	3 360	
Infrastructure development		11km of F&K link line to be constructed			No	Electrical infrastructure	MV Networks	0		1 700	1 845	1 948	1 948		
Infrastructure development		11km of F&K link line to be constructed			No	Electrical infrastructure	MV Networks	0		2 750	2 889	3 098	3 098		
Infrastructure development		Survey and Designing			No	Electrical infrastructure	MV Networks	0		1 500	1 500	1 688	1 688		
Infrastructure development		Recharge for split mains and pad locks			No	Electrical infrastructure	MV Networks	0		1 000	1 000	1 175	1 175		
Infrastructure development		Energy efficiency			No	Electrical infrastructure	MV Networks			-	-	5 270	5 580		
Infrastructure development		Lighting retrofit of Municipal Building in Maclear			No	Electrical infrastructure	MV Networks	3100410° S 2802052° E		-	1 750 000				
Infrastructure development		Maclear Community Hall			No	Electrical infrastructure	MV Networks	3100410° S 2802047° E		-	539 000				
Infrastructure development		Maclear Library			No	Electrical infrastructure	MV Networks	3004116° S 2802052° E		-	523 700				
Infrastructure development		Mount Patcher Library			No	Electrical infrastructure	MV Networks	3004133° S 2803015° E		-	R 791 000				
Infrastructure development		Mount Patcher Municipal Building			No	Electrical infrastructure	MV Networks	3004133° S 2803015° E		-	389 000				
Infrastructure development		Mount Patcher Community Hall			No	Electrical infrastructure	MV Networks	3004133° S 2803015° E		-	507 200				
Infrastructure development		Capacity Building & Training			No	Electrical infrastructure	MV Networks	0		-	50 000				
Infrastructure development		Energy Efficiency Awareness			No	Electrical infrastructure	MV Networks	0		-	50 000				
Infrastructure development		Energy Efficiency Planning			No	Electrical infrastructure	MV Networks	0		-	300 000				
Parent operational expenditure	1											32 795	33 080	34 868	

8.16 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

8.16.1 In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

8.16.2 Quarterly Reports

Reporting to National Treasury in electronic format was fully complied with on quarterly basis. Section 52(d) reporting to the Executive Mayor (within 30 working days) has progressively improved and includes quarterly published financial performance on the municipality's website.

8.16.3 Mid Year Reporting

Reporting to National Treasury in electronic format was fully complied with on half yearly basis. Section 72 reporting to the Executive Mayor on the 25th of January each year has progressively improved and includes mid-year published financial performance on the municipality's website.

8.17 Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the five interns one has been appointed permanently from Jan 2018. The remaining three, their contracts are still valid, and extension for one year has been granted by National Treasury. Since the introduction of the Internship programme the Municipality has successfully employed and trained 14 interns through this programme and a majority of them were appointed either in the Municipality or other Institutions.

8.18 Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA. Budget Steering committee has been established and it's fully functional, its purpose is to look at budget and IDP, and indigent and free basic services matters. MSCOA steering committee and implementation committee has been established and it is fully functional.

8.19 Audit Committee

An Audit Committee has been established and is fully functional.

8.20 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalized after approval of the 2020/21 MTREF in June 2020 directly aligned and informed by the 2020/21 MTREF.

8.21 Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

8.22 MFMA Training

The MFMA training module in electronic format is presented at the municipality's internal centre and training is ongoing.

8.23 Policies

Budget related policies are reviewed on yearly basis.

8.24 Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

Choose name from list - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		17 218	17 501	23 203	32 161	32 161	32 161		38 309	40 071	41 914
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					2 229	2 229	2 229		7 000	7 378	7 776
Net Property Rates		17 218	17 501	23 203	29 932	29 932	29 932	–	31 309	32 693	34 138
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		19 233	24 734	29 137	37 483	37 483	37 483		35 973	37 628	39 359
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	3 092	3 092	3 092		3 235	3 383	3 539
Net Service charges - electricity revenue		19 233	24 734	29 137	34 391	34 391	34 391	–	32 738	34 244	35 820
Service charges - water revenue	6										
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–		–	–	–
Net Service charges - water revenue		–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–		–	–	–
Net Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	6										
Total refuse removal revenue		4 759	685	4 145	9 932	5 512	5 512		7 463	7 807	8 166
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	2 471	2 471	2 471		2 585	2 704	2 828
Net Service charges - refuse revenue		4 759	685	4 145	7 461	3 041	3 041	–	4 879	5 103	5 338
Other Revenue by source											
Fuel Levy											
Other Revenue		1 308	8 946	1 287	30 000	41 285	41 285		32 589	38 845	42 827
Total 'Other' Revenue	1	1 308	8 946	1 287	30 000	41 285	41 285	–	32 589	38 845	42 827
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		70 300	79 764	98 972	100 012	104 900	104 900		120 570	127 081	133 943
Pension and UIF Contributions											
Medical Aid Contributions											
Overtime											
Performance Bonus											
Motor Vehicle Allowance											
Cellphone Allowance											
Housing Allowances											
Other benefits and allowances											
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
Less: Employees costs capitalised to PPE	sub-total	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Total Employee related costs	1	70 300	79 764	98 972	100 012	104 900	104 900	–	120 570	127 081	133 943
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		26 956	32 793	30 157	34 498	34 498	34 498		33 000	34 782	36 660
Lease amortisation											
Capital asset impairment											
Total Depreciation & asset impairment	1	26 956	32 793	30 157	34 498	34 498	34 498	–	33 000	34 782	36 660
Bulk purchases											
Electricity Bulk Purchases		21 295	20 023	20 821	30 757	30 757	30 757		23 000	24 242	25 551
Water Bulk Purchases											
Total bulk purchases	1	21 295	20 023	20 821	30 757	30 757	30 757	–	23 000	24 242	25 551
Transfers and grants											
Cash transfers and grants		–	–	2 428	–	–	–	–	–	–	–
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
Total transfers and grants	1	–	–	2 428	–	–	–	–	–	–	–
Contracted services											
Outsourced Services		2 727	2 380	69 241	47 295	70 801	70 801		95 829	96 983	99 586
Consultants and Professional Services											
Contractors											
Total contracted services		2 727	2 380	69 241	47 295	70 801	70 801	–	95 829	96 983	99 586
Other Expenditure By Type											
Collection costs		72 770	79 714	42 763	54 731	54 327	54 327		60 180	63 431	66 857
Contributions to 'other' provisions											
Audit fees											
Other Expenditure											
Total 'Other' Expenditure	1	72 770	79 714	42 763	54 731	54 327	54 327	–	60 180	63 431	66 857
by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure											
Total Repairs and Maintenance Expenditure	9	–	–	–	–	–	–	–	–	–	–

Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Choose name from list - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Budget and Treasury	Vote 3 - Corporate Admin	Vote 4 - Community Services	Vote 5 - Strategic Planning Development	Vote 6 - Infrastructure Planning & Development	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates			31 309														31 309
Service charges - electricity revenue							32 738										32 738
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue					4 879												4 879
Rental of facilities and equipment			2 061				7 832										9 894
Interest earned - external investments			4 707														4 707
Interest earned - outstanding debtors			1 693														1 693
Dividends received																	-
Fines, penalties and forfeits			49		53		169										271
Licences and permits			62		2 257												2 318
Agency services			544														544
Other revenue			19 787		1 366	666	10 770										32 589
Transfers and subsidies			163 573		4 083		25 674										193 330
Gains			468														468
Total Revenue (excluding capital transfers and contributions)		-	224 254	-	12 638	666	77 184	-	-	-	-	-	-	-	-	-	314 741
Expenditure By Type																	
Employee related costs		18 689	17 127	19 594	31 958	6 680	26 522										120 570
Remuneration of councillors		13 193															13 193
Debt impairment			872		2 723		1 550										5 146
Depreciation & asset impairment			11 000				22 000										33 000
Finance charges			59	150													209
Bulk purchases							23 000										23 000
Other materials		1 206	39	200	15		300										1 759
Contracted services		11 737	31 693	9 701	10 591	3 675	28 232										95 629
Transfers and subsidies																	-
Other expenditure		12 850	22 739	10 004	6 029	2 515	6 045										60 181
Losses																	-
Total Expenditure		57 674	83 528	39 649	51 316	13 070	107 648	-	-	-	-	-	-	-	-	-	352 886
Surplus/(Deficit)		(57 674)	140 725	(39 649)	(38 678)	(12 404)	(30 465)	-	-	-	-	-	-	-	-	-	(38 145)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)						1 935	49 353										51 288
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)																	-
Transfers and subsidies - capital (in-kind - all)																	-
Surplus/(Deficit) after capital transfers & contributions		(57 674)	140 725	(39 649)	(38 678)	(10 469)	18 888	-	-	-	-	-	-	-	-	-	13 143



Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
ASSETS											
Call investment deposits				66 447	107 011				52 545	55 382	58 373
Call deposits											
Other current investments											
Total Call investment deposits	2	-	-	66 447	107 011	-	-	-	52 545	55 382	58 373
Consumer debtors											
Consumer debtors				9 015	72 120	84 861	84 861		8 918	5 388	9 057
Less: Provision for debt impairment											
Total Consumer debtors	2	-	-	9 015	72 120	84 861	84 861	-	8 918	5 388	9 057
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)				420 740	397 643	470 255	470 255		557 778	529 873	535 819
Leases recognised as PPE	3										
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	-	-	420 740	397 643	470 255	470 255	-	557 778	529 873	535 819
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)				10 112	7 224						
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	10 112	7 224	-	-	-	-	-	-
Trade and other payables											
Trade Payables	5			51 818	37 587	317 869	317 869		79 493	78 859	79 787
Other creditors											
Unspent conditional transfers				1 213							
VAT											
Total Trade and other payables	2	-	-	53 031	37 587	317 869	317 869	-	79 493	78 859	79 787
Non current liabilities - Borrowing											
Borrowing	4			17 807	805	329	329				
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	-	17 807	805	329	329	-	-	-	-
Provisions - non-current											
Retirement benefits				5 628	15 679	12 037	12 037				
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		-	-	5 628	15 679	12 037	12 037	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance						487 690	487 690				
GRAP adjustments											
Restated balance		-	-	-	-	487 690	487 690	-	-	-	-
Surplus/(Deficit)		22 603	57 991	21 689	73 158	65 618	65 170	-	13 143	(0)	(0)
Transfers to/from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	22 603	57 991	21 689	73 158	553 308	552 860	-	13 143	(0)	(0)
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	22 603	57 991	21 689	73 158	553 308	552 860	-	13 143	(0)	(0)

Capital Projects

SegmentDesc	2021 Draft	2022 Draft	2023 Draft
MIG Projects	36 767 850.00	39 768 900.00	41 963 300.00
CONTAINER CITY	1 400 000.00	1 464 400.00	1 531 762.40
NETWORK UPGRADE-1101/4601/0000	1 191 209.90	1 246 005.56	1 303 321.82
INSTALL OF HIGH MASTS	1 937 230.00	2 026 342.58	2 119 554.34
STREET LIGHTS	1 082 500.00	1 132 295.00	1 184 380.57
Furniture & Office equipment	50 000.00	52 300.00	54 705.80
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Furniture & Office equipment	100 000.00	104 600.00	109 411.60
Municipal Lights	350 000.00	366 100.00	382 940.60
FURNITURE & OFFICE EQUIPMENT	245 094.54	256 368.88	268 161.85
Vehicles	2 500 000.00	2 615 000.00	2 735 290.00
FURNITURE & OFFICE EQUIPMENT-0401/4601/0000	100 000.00	-	-
FURNITURE & OFFICE EQUIPMENT-0001/4601/0000 led screen	1 500 000.00	1 569 000.00	1 641 174.00
Disaster Recovery site and Wifi	4 500 000.00	4 707 000.00	4 923 522.00
GRASS CUTTERS	150 000.00	-	-
Municipal buildings	5 000 000.00	-	-
TROLLEY BINS-0420/4624/0000	80 000.00	83 680.00	87 529.28
Access Control-0301/4601/0000	1 200 000.00	1 255 200.00	1 312 939.20
PITSENG BRIDGE	5 800 000.00	-	-
Premiours Office	14 520 000.00	-	-
Furniture & Office equipment	10 000.00	10 460.00	10 941.16
MOTOR VEHICLES-0420/4603/0000	3 000 000.00	3 138 000.00	3 282 348.00
Public Toilets	6 600 000.00	-	-
Municipal Tents	200 000.00	-	-
Containers	400 000.00	-	-
Total	88 783 884.44	59 900 252.02	63 020 694.22



8.25 Municipal manager's quality certificate

I, Khayaletu Gashi, municipal manager of Elundini Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name K Gashi

Municipal Manager of Elundini Municipality (EC141)

Signature



Date: June 2020

8.26 History of Audit Reports

Below is the history of audit reports achieved by the municipality for the past five (5) financial years:

- ✓ Unqualified 2014/2015 – one compliance finding
- ✓ Unqualified 2015/2016 - one compliance finding
- ✓ Unqualified 2016/2017 – three compliance findings
- ✓ Adverse opinion 2017/2018
- ✓ Unqualified 2018/2019 with findings



8.27 Audit Response Plan : 2020

#	REF	COMPONENT	QUERY	AUDIT FINDING	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	AUDITOR'S CONCLUSION	PROGRESS	RESPONSIBLE OFFICIAL	TARGET DATE	REMEDIAL ACTION	PROGRESS FROM LAST REPORT DATE
1	CoA F 1	Compliance	Performance evaluations for senior managers not performed for 17/18 mid-year and annual	Senior manager performance evaluations for mid-year as well as annual evaluations for 17/18 were not performed.	<p>Management should ensure the following:</p> <ul style="list-style-type: none"> There is a monitoring tool to ensure that every employee is included in performance reviews and any development plans are recorded and discussed with the employee. The performance management system should comply to all the requirements of the applicable legislation 	<p>We are not in agreement with the finding. The 2017/2018 mid-term performance assessments of section 57 employees were conducted on the 2nd March 2018. The 2017/2018 annual assessment of section 57 employees were conducted on the 25th June 2019.</p>	<p>Management response acknowledged however there is no portfolio of evidence submitted to support that evaluations were performed for mid-year as well as annual assessment. The finding remains and will be reported in the management report as part of internal control deficiencies important matters.</p>	100%	Municipal Manager		<p>There is no need for remedial action as the finding was erroneously not cleared by the AG. Information was provided to the AG, latest submission was on the 6th January 2020. The submission clearly states that the 2017/2018 mid-term assessment was done on the 2nd March 2018, and the attached reports were provided.</p>	None

#	REF	COMPONENT	QUERY	AUDIT FINDING	AUDITOR'S RECOMMENDATION	MANAGEMENT RESPONSE	AUDITOR'S CONCLUSION	PROGRESS	RESPONSIBLE OFFICIAL	TARGET DATE	REMEDIAL ACTION	PROGRESS FROM LAST REPORT DATE
2		Internal control deficiencies	1. Fixed asset & ICT policy last reviewed in 2016	<p>During the audit of planning we noted that the following policies were not updated and reviewed by management:</p> <p>1. The fixed asset policy has last been reviewed on the 14 December 2016 and approved by council.</p> <p>2. VPN Access policy was compiled in March 2017 and has no review or approval date and it was not part of the policies</p>	<p>above.</p> <ul style="list-style-type: none"> There is an evaluation panel appointed to evaluate all senior managers within the required time. <p>Management should ensure that:</p> <p>1. Policies and procedures are reviewed frequently or when a legislation or reporting framework is amended relating to that policy or procedure.</p> <p>2. The reviewed policies are submitted timeously to the council for</p>	<p>We are in agreement with this finding that the Assets Policy was last reviewed on 14 December 2016. Management reviewed the Assets Policy and the Asset Useful lives are also in line with Treasury Capital Asset Management Guidelines 2008. The Reviewed Fixed Assets</p>	<p>Management response acknowledged as management agrees with the finding. The finding remains and will be reported in the management report as part of internal control deficiencies as important matters.</p>	100%	CFO & Director Corp Serv.	2020-06-30	<p>VPN Access Policy has since been reviewed and will be submitted to council for approval in the council meeting which will take place in June 2020.</p> <p>The BTO policies have a plan to be reviewed annually before year end</p>	<p>The VPN Access policy has been reviewed. The fixed asset policy has since been reviewed as well</p>

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				reviewed by council on the 22 June 2018.	adoption and approval.	Policy was approved by council on the 28 June 2019. VPN Access Policy has been made part of the ICT Related Services project that was initiated in August 2018. This policy has since been reviewed and will be submitted to council for approval in the next sitting which will take place in September 2019.						

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3	CoA F 6	Operating expenditure	1. Expenditure: Insufficient information submitted	1. Information submitted on RFI 14 for the below class of expenditure was incomplete/insufficient	Management should ensure that information submitted for audit purpose is reviewed by the audit controller for completeness and also ensure that controls around record keeping are in place by creating a checklist for each payment voucher to ensure that all necessary documents are attached in each payment voucher.	Management should state if they agree or disagree with the finding. If they agree with the finding the following should be stated: · Corrective action to be taken: · Who (position) will be responsible for the corrective action to be taken: · The estimated date on which the corrective action would have been completed Should management disagree with	Management's responses have been received, and the auditor's comments are as follows: 1. Management agrees with the findings and has submitted, partially, the outstanding information which has been verified. 2. Information has not been received/not suffice for the items above with no comments and the limitation misstatements for the items will remain and be reported in	30%	Income and Expenditure Manager	2020-06-30	The audit controller will review the adequacy of information submitted to auditors. Prior to filing payment vouchers the Income & Expenditure Manager will check that all supporting documentation is in place. All vouchers will be scanned and saved both electronically and manually.	The scanning is in progress and July 2019 to September 2019 have been scanned thus far.

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4		Operating expenditure	Remaining Population - Disagreement	Expenditure - Remaining population is overstated by the following (item 1.) which is recorded in an incorrect accounting period as the invoice was received on the 29th of June 2018. This should have been recorded as an accrual in the previous year.	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions.	the finding, please provide us with supporting documents supporting your comment. Management is in agreement with the finding.	both the management report and audit report. Management response has been received and evaluated. The finding on cut-off will remain.	0%	Income and Expenditure Manager	2020-06-30	Both income and expenditure records for the first and the fourth quarters of the financial year will be perused for recording in the correct periods. All cashier receipts and payment vouchers identified as requiring recoding in other financial period will be journalised	None

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5	CoA F 7	Procurement and contract management	1. SCM: Deviation not valid (Infrastructure options)	During the audit of SCM deviations, the following deviation was identified and the reasons provided for deviating were not in line with requirements of SCM regulation 36(1).	Management should disclose all expenditure incurred under the contract as irregular expenditure for the 2018/19 year.	Management is in disagreement with the finding on the following basis. The author of the NEC3 forms, the eligibility criteria document, the service provider that designed the whole SIPDM framework is Infrastructure options.	The finding has therefore not been resolved, and its impact will be evaluated further to determine its impact on the management and audit reports.	80%	SCM Manager	2020-01-01	<p>1. All deviations will be subjected to close scrutiny to determine if they meet the criteria.</p> <p>2. Deviations will be allowed to be used as a last resort when on other alternative procurement processes can be followed.</p> <p>3. Formulate Deviation Committee that will closely scrutinize deviations prior to appointment.</p>	Template that is aligned to SCM Regulation 36 is in place.

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6			3. SCM: Non-Compliance with regulation 45	During the audit of the supply chain management function, we have identified an award made to supplier: Infrastructure Options whereby the supplier had declared that the spouse of one of its directors was currently in the service of the state, however, no disclosure was provided for in relation to this in the annual financial statement of the municipality for the 2018/19 year, despite this being required by SCM regulation 45.	Management should include all disclosures required by legislation in their annual financial statements.	Management agrees with the finding. The omission of the application of the provisions of Regulation 45 is acknowledged and the AFS will be rectified when an opportunity is presented.	Management's response has been noted, and they have agreed with the audit finding. However, the finding will only be resolved once the auditor has satisfied themselves of the following: Management have submitted the adjusted annual financial statements, including adjusted registers. The auditor has satisfied themselves that management have submitted a	80%	SCM Manager	2020-01-01	SCM will perform close scrutiny of MBD Forms, compliance checklist shall include this component. This will ensure compliance to regulation 45. The municipality is also in a process to procure a system that will aid the municipality to detect related parties. The step for verification of service provider will also be done prior to appointment.	Bid Specification Committee had sat to consider the terms of reference for vetting system and advert will be published before 19 February 2019 anticipating to appoint within 90 days from closing date of the bid. Checklist has been designed to incorporate Regulation 45 requirements

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7	CoA F 11	Contracts management	Retention % used does not agree with the	During the auditing of contracts management, selected a payment certificate in relation to contract ELM-3/051/2017-2018: Casnan Civils to	Management should ensure that retentions are calculated using the correct rate per the signed contract between the municipality	Management agree with the finding, the retention Clause stated in the contract data was Clause X16.1 and which makes reference to	process followed to effect the adjustments, controls in place, as well as what measures have been taken to identify other regulation 45 disclosures that have been omitted from disclosure in the financials, and correct for them as well.		Director - IPD	30/06/2020	The cited project is at completion stage and retention can no longer be corrected for the particular project. There is no requirement	In all future projects the retention will be aligned to the contract provisions so as to ensure retentions are recorded correctly for the purposes

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				determine whether or not retentions are being deducted from payments made to the contractor as this is a requirement of the contract in place. Our testing of this payment certificate revealed that municipality had only retained 5% of the value of works completed, as opposed to the 10% retention required by the contract.	and the relevant contractor.	10% retention as per the finding. Retention is only reduced to half the value at project completion. The nature of the contra is re-measurable, meaning that any incorrect calculation picked up on the payment can be rectified prior to final account issuing. The retention is meant to be all paid back to the contractor upon works completion. Management will reconcile	reported on in the management report, and assessed further for potential implications for the audit report as management have not responded with sufficient evidence as to how they have rectified this				for cost recovery as the intention of all retention monies is for them to be released to the contractor at project completion	of financial reporting

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8		2. Contracts management	contract rate: ELM-3/051/2017-2018: Casnan Civils	During the audit of contracts management, we could not obtain evidence that the municipality monitored performance on a monthly basis	Management should ensure that performance is monitored on a monthly basis for all contracts awarded by the municipality that are still active during the financial year.	retentions raised to align with the contract data provisions. 1) Management does not agree with the findings. The performance of interwaste was constantly monitored throughout the duration of the project to an extent that the following documents proving project monitoring were forwarded to Auditor General on request of proof of project	Management's responses have been noted. Our comments based on your responses are detailed below: The legislation requires that performance be monitored on a monthly basis, and management have not done that. We have not been provided with monthly monitoring reports to this effect.	60%	SCM Manager	28/02/2020	A new template has been designed. The project managers using this template will assess the performance of vendors on a monthly basis. Assessment results shall be communicated to the service provider for continuous improvement purposes. This also means that early warnings of underperformance will be communicated timeously.	Monthly assessment of vendors appearing on the contracts that been conducted for quarter two. Other assessment forms are completed and some are not, the office is still awaiting end user departments to respond.

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						monitoring in respect of this project. a) There's a correspondence written to Interwaste inviting them to a PPP review meeting, detailing the resolutions taken on the date of the review meeting on the 12th of June 2019. The correspondence requested an action plan to respond on the highlighted issues. b) There's minutes as well supporting and						

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						highlighting the discussions of the meeting with Interwaste, the MM, Director Community Services as well as myself. c) There's a series of e-mails between the department and Interwaste where their July and August invoices have not been paid pending submission of the monthly reports in the format the PPP requires						

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						as well as per the resolutions of the meeting of the 12th of June 2019. d) The said invoices have not been paid up to date and Interwaste indicated they will provide the required reports by latest the 04th of October 2019. e) A sample of the August 19 monthly report that Interwaste submits without the details requested as per the correspondence and e-mails sent						

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						2) Vendor performance reports were submitted and signed by the End User Department and all the complaints contemplated on the vendor performance reports were communicated to the service provider e.g. 1 (c) Management disagrees with the finding. All vendor performance reports were submitted and signed by the End User Department and all the complaints contemplated on the vendor						

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						performance reports were communicated to the service provider. During the last quarter there was correspondence to the service provider which was communicated by the end user 2. ELM-2/037/2017-2018: Siyanda Business Solution: Preparation of Annual Financial Statements for a period of three years. Management disagrees with the finding. Siyanda was						

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						appointed to draft AFS and to conduct responses to audit queries. They did not meaningfully take part in 2018 financial statements as their appointment was too late. It's the first time that they were involved in the drafting of 2019 financial statements and the submission thereof. The audit is not yet concluded for us to have a basis of assessing the performance of their work of being the drafting of the						

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9		3. Procurement and Contract Management	3. Contracts management : Possible circumvention of supply chain management processes	During the audit of variations for contracts management, we have inspected a variation order dated 19 May 2017 relating to contract: ELM-1/009/2016-2017: Black Spot Media together with supporting reasons for the variation, and noted that the variation order was not line with the SCM policy as	Management should ensure that all variation orders are in line with the supply chain management policy, and do not amount to the circumvention of normal procurement processes.	Management dis agrees with the finding. The municipality learnt in April 2017 that Intengu Communications who was appointed for production of newsletter was liquidated. During that period, the Municipality had	Management's comments have been noted, however, the finding has not been resolved due to the following: Although the work allocated to the Black Spot Media did not alter their scope of work, the municipality took work that was under a	90%	SCM Manager	2020-01-01	The SCM Policy is explicitly clear on procedure to follow on variations. The BAC shall closely analyse each case prior approval of variation or recommendations to the Council for such approval.	No variation has been approved since last audit.

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				it effectively resulted in additional and new work being allocated to Black spot media. The reasons given for the variation were the fact that: 1. An existing service provider of the municipality: Intengu Communications CC was undergoing final liquidation, and they had remaining work that did they did not complete due to this under their original contract.2. The municipality then recommended that this additional work be allocated to Black spot media as a variation order, to an		advised for a project which was intended to replace services of Intengu as the contract was about to expire on the 17 November 2016. Intengu was unable to complete the scope of work allocated to them due to liquidation and issues they had owing to liquidation processes. Meanwhile, Black Spot Media was appointed through competitive bidding process which started in	separate contract with another service provider, and allocated it to a different service provider under a separate contract. This results in additional and new work for Black Spot Media that was not part of the original scope of work in their original contract with the municipality.Based on the above, we are therefore still of the view that the variation order was					

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				amount of R 75 000,00, which is 12,5% of their original contract amount of Black spot media.		November 2016. The bid was evaluated on capacity to carry out the project which covers the exact scope that Intengu couldn't finish. During the closing of the new bid it was unforeseen that Intengu would not be able to complete the task, hence the municipality was compelled to make use of services of the company that was recently appointed on the similar scope. As a matter of fact	inappropriate, and that the municipality should have instituted a new procurement process in relation to those services. Based on the above, we are therefore still of the view that the variation order was inappropriate, and that the municipality should have instituted a new procurement process in relation to those services. The variation order and resulting					

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10	CoA F 13	SCM	1. SCM - CAATs exceptions	During our CAATs procedures, we identified the following awards made to a service provider that is related as a partner to one of the councillors of the municipality. We have inspected the	The municipality should investigate interest identified by CAATs procedures, and where they have been identified to	We disagree with the finding as the municipality is incapacitated from vetting service providers as there is no available system that is able to detect	Management's response has been noted, and management disagrees with the audit finding. However, the audit finding has not been	80%	SCM Manager	2020-01-01	Over and above MBD Forms that are submitted by the service providers, SCM is in the process of compiling a register of Councillors with relatives	A declaration form that will be completed by bidders during bidding process has been designed and appended to all standard

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				declaration of interest forms in relation to the awards, and confirmed that the service provider did not declare the interest in question. We were unable to obtain evidence that the councillors affected made the necessary declarations of interest to council.	be valid, required disclosures in terms of regulation 45 must be provided for in been identified to be valid, required disclosures in terms of regulation 45 must be provided for in	that information. During the evaluation, prior to any appointment, Central Supplier Database is used to confirm whether the service provider is a government employee or not and in this case there was no indication.	resolved, and will be included in the management report, and be evaluated further to determine whether or not it has an impact on the audit report as well, due to the following: · Although management disagrees with the finding, they have not disputed the actual nature of the audit finding, which is the core of this communication. n. Management have not disproved the validity of the exceptions			who are suppliers. This will assist to identify false declarations. SCM has also designed its declaration form that will be completed by bidders during bidding process. It has been established that the MBD 4 Form they are signing may indirectly confuse bidders as it states that bidders need to declare relatives that might be involved in the evaluation or adjudication process. The ELM Declaration	bidding documents. All councillors have been given disclosure form to enable them to declare their related parties and financial interest. Bid Specification Committee had sat to consider the terms of reference for vetting system and advert will be published before 19 February 2019 anticipating to appoint	

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							<p>identified, and for this reasons, they remain valid.</p> <ul style="list-style-type: none"> Lastly, management have not commented on the entire communication of audit findings, they have rather zoomed in on part 2 of our exception relating to Thando Consulting. The first part of the finding in the nature section has not been commented on at all. Management is disagreeing solely on the 				<p>form, all bidders are obligated to declare any relatives they have who are employed in the organ of state. Thirdly, the municipality is in the process of buying a system that will assist with identifying related parties as categorised in SCM Regulation 45.</p>	within 90 days from closing date of the bid.

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							<p>basis of the fact that they do not have a system to validate declarations made by suppliers during the bidding process, although this is true at the moment, it cannot be said to be the basis to disagree with the entire communication of audit finding. The only acceptable basis to disagree with the audit finding should have been if it was the case that management has evidence</p>					

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1	CoA F 16	Payables from exchange transactions	Disagreement	Payables from exchange transactions are misstated with the following item:	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions.	No management response	Finding remains and will be reported in the management report as part of important matters.	0%	Chief Financial Officer	2020-02-28	Payment vouchers will be checked for arithmetic accuracy, allocation in the correct segments and financial period upon processing	All incorrectly allocated transactions are marked and returned to the official that processed the initial entry to amend or cancel and recapture the voucher
2	CoA F 19	Employee costs	1. Position filled without advertisement and candidate meeting requirements	During the testing of appointments, we noted that the post currently occupied by Chief Of Staff was not advertised as per the policy and no interviews were conducted for the job post. The job	Management should ensure that appointments are conducted per the policy and if there is a deviation from the policy that should be	Management is in disagreement with the finding. The position of Chief of Staff was initially advertised in the Daily	Management response acknowledged, however the basis used for head hunting were not submitted and the memorandum recom-	30%	Director - Corporate Services	2020-12-01	The Recruitment and Selection Policy will be reviewed in this regard	A submission of the Chief Of Staff irregular expenditure has been made to MPAC with a recommendation to write off the

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				specifications of the post state that the employee must have 4 years' degree in Public Administration or related field, training in diplomacy, computer literacy and Code EB license. The employee has a national diploma in tourism, a certificate in local and economic business development, bachelor in tourism management and certificate in Municipal Financial Management.	supported by a memorandum that is stating reasons thereof to ensure compliance with laws and regulations is adhered to. Employees should be appointed only if they meet the minimum requirements for the post	Dispatch newspaper with a closing date being the 17th November 2017, see attached advert. · Shortlisting was conducted on 2nd February 2018 and no suitably qualified candidate could be found, see attached minutes. · Shortlisting was conducted on 2nd February 2018 and no suitably qualified candidate could be found, see attached	mending the appointment of the headhunted candidate was not submitted. The finding remains and will be reported in the management and audit report as part of non-compliance to laws and regulations as well as disagreement misstatement to the value of salary paid to the employee.				current and future irregular expenditure in respect of the staff member. The resolution further states that MPAC to recommend to council that the current established practice of appointment s of a similar are not desirable and should be discontinued.	

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13	CoA F 21	Revenue	1. VAT not accounted for in VAT control account in the general ledger	During the audit of Rental of facilities and equipment testing, the following has been identified:	Management should ensure that revenue is recorded on the accounting records	Management is in agreement with the finding. The journal for VAT will be	Management response acknowledged, however the finding remains and will be	100%	Chief Financial Officer	2020-01-31	VAT is levied on all vatiable transactions in terms of the VAT Act. A secondary process is	A VAT reallocation journal was passed to correct the entry. All invoices in

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				- Revenue received by the Municipality from the Department of Transport (customer) has been recognised in the accounting records inclusive of VAT.	exclusive of VAT and VAT is recorded in the VAT control account.	processed as soon as the auditors allow for the processing of adjustments	reported in the management report and the projected misstatement will be aggregated with other misstatements on revenue. Management should investigate the population to ensure that there are no other items of VAT that are incorrectly recorded before processing a journal for adjustments.				carried when performing the VAT 201 submission monthly. A service provider that assist the municipality claim VAT accurately has been appointed on a 3 year contract.	respect of Dept. of Transport, and all other sundry invoices are levied with VAT as required in terms of the VAT Act
14	CoA F 23	Planning: Leadership	Inappropriate segregation of duties	Excel spreadsheet for completeness capturing of VAT vouchers is completed by the Income & Expenditure	Management should ensure that appropriate steps are taken to ensure that	The management is in agreement with the finding.	Management is in agreement with the finding. The findings remain and	0%	Income and Expenditure Manager	2020-02-28	The VAT reconciliation spreadsheet performed monthly will be prepared and signed by	None

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				Manager and is not reviewed.	control procedures are adhered to support the internal control objectives, processes, and responsibilities.		will be reported in the management report as part of internal control deficiencies.				the Expenditure Controller together, with the assistance of the VAT service provider, and reviewed by the Manager Income & Expenditure	
15	CoA F 24	Use of consultants - MFMA	1. Use of consultants – Preparation of the annual financial statements	We have inspected the terms of reference as well as the service level agreement for the contract between Elundini local municipality and Siyanda Business Solution in relation to the provision of AFS preparation services, and we have noted that the terms of reference do not provide the following required	Management should ensure that terms of reference for work done by consultants take into consideration all requirements listed per the SCM guide for accounting officers.	Management is in disagreement with the finding. Although the SLA does not specifically address transfers of skills, paragraph 7.1 of the SLA states that "Both parties to be bound by the contents and provisions of the	Management's response has been noted, together with the supporting information. We are not satisfied that the transfer of skills has been properly mapped out in the agreement between the municipality and the consultant, further to this, in your response you	0%	Chief Financial Officer	2020-03-31	A revised training schedule for the transfer of skills will be developed clearly identifying beneficiaries for the transfer of skills, areas involved, evaluation forms on completion of training as well as timeframes for the transfer of	None

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				details in relation to the transfer of skills: 1. The nature and scope of the training to be provided; 2. Time-frames for training to be provided; 3. Identification of employees to be trained; and 4. Measures to be implemented to monitor the transfer of skills by the consultant.		specification document” . The specification had the following terms as the scope of work and timeframes: - These clearly state the transfer of skills and the timeframes. Accompanyin g this response, we have attached a proposal document for Siyanda which the following reference are included: - Paragraph 1.3 (page 2) makes reference to the timeframes of this project;	have also alluded to the fact that the transfer of skills has not taken place sufficiently response you have also alluded to the fact that the transfer of skills has not taken place sufficiently. The municipality should consider developing with the consultant a plan whereby the process of the process of transferring skills could run parallel with the process of the consultant delivering on their other transferring			skills will be developed		

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16	CoA F 27	Property, Plant and Equipment	1. PPE: No information submitted (Verification of assets)	During the audit of property, plant and equipment, the following assets could not be physically verified	Management should implement strict controls over the management of municipal assets.	including for the transfer of skills. - Paragraphs 1.4. and 12 (page 13) make reference to the methodology to be applied in the process of transferring skills. This is broken down into stages. Management did not submit a respond	skills could run parallel with the process of the consultant delivering on their other transferring skills could run parallel with the process of the consultant delivering on their other consultant.	50%	Chief Financial Officer	2020-03-31	A review of the quarterly asset count will be done by the CFO. Revised asset count procedures detailing what needs to be done with assets discrepancies will be developed.	An asset scrapping form has been developed and is completed for all assets identified as non-functional. The third quarter asset count has already commenced.

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17	CoA F 33	Predetermined objectives	1. APOPO - The number of indigent households with access to free basic services	During the auditing of reporting on predetermined objectives, we could not obtain sufficient appropriate audit evidence in relation to the following indicator due to the manner in which performance achievement was measured and reported: The reasons we are unable to verify the reliability of the reported achievement as	Management should ensure that indicators are well defined and standard operating procedures are in place to confirm how the indicator will be reported and when.	Management is in agreement with the finding, to the extent that the population contains data at individual level. Management then went to the entire population and filtered for these customers and found that 223 customers are duplicating. The excel file	Management's responses have been noted, and they are in agreement with the audit finding. Based on the CAATs results performed on the indigents, there were various exceptions identified in relation to the registers used to support reported performance for this indicator.	30%	Chief Financial Officer	2020-06-30	The whole indigent database has to be revisited and each beneficiary must have application form in place. Various registers from different systems will be consolidated to identify customers reflecting in various systems and duplicates eliminated. On a quarterly	Asset counters carry stickers and mark all counted assets and rechecks after the count. Beneficiaries identified during the CAATs as not qualifying are being taken off the database.

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				<p>detailed below: 1. The indicator description refers to the number of households with access to indigent services, and the expectation that is that the measuring of actual achievement would be at a household level.2. However, during the auditing of reliability, we have noted that the municipality collects data for reporting purposes at an individual level, not necessarily per household. The municipality has categories of indigents that exceed one, meaning that a single individual could very well be</p>			<p>used for the calculation is attached. Management will then adjust the achieved result by reducing the 223 customers.</p>	<p>These exceptions have not been cleared by the municipality, and because of this, we are unable to rely on the data used to support this achievement. The audit finding has not been resolved, and reported performance for this Indicator has been materially misstated.</p>			<p>basis all new applicants will be presented to AG for CAATs testing before they are approved.</p>	

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				a beneficiary to more than one category of indigent services. What the municipality does effectively is that in instances whereby one person received two services, they will be counted twice for reporting purposes, and not one household. ³ . This practice that has been adopted results in duplicate reporting, as one person from one household is reported more than once. The correct practice per the indicator description should be that reporting should be done at a household level, regardless of how								

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1	9		2. AOPO: Households and commercial properties with access to refuse collection services	During our auditing of reporting on predetermined objectives, we were not able to obtain sufficient appropriate audit evidence to conclude on the reliability of reported	Management should only disclose unauthorised expenditure that is valid in their annual financial statements.	Management is in disagreement with the finding. The table below shows the refuse billing results as at June 2019. Currently it's	Management did not respond to the finding. Finding not resolved and will be reported in the management and audit report as	80%	Director Community Services	2020-03-01	Indicator and its measurement criteria will be changed during mid-term review of the SDBIP.	Management has reviewed the indicator and how its achievement will be measured. As of 1 March 2020 the indicator will read "percentage

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21	CoA F 36	Cash and cash equivalents	Cash and cash equivalents - Authorized signers no longer employed by the entity	The entity did not update the signatories for the Standard Bank account, the following signatories that have been confirmed are no longer employed by the entity Signatories no longer employed: SHP Bebelesi RD Lehana RD Rashedelana JJIS Vermeulen S Mfobo	Management should always ensure that the banks are updated for changes in authorised signers, and always ensure that the former employees are not included in the financial records of the entity.	the only source that determines the number of properties with access. Management is not in agreement with the finding above. None of the signatories listed above are still signatories at Standard Bank. Instead one of the former employees, Ms Anita Brummer, still reflects as a signatory at the bank according to the attached bank letter. We have attached a letter where	material misstatement.	0%	Chief Financial Officer	2020-02-28	A checklist on termination of employment for managers at BTO, CFO and MM will be developed. These will include disabling bank passwords, removing them as signatories, etc. on the last day of work for each affected incumbent	compliance with the approved refuse collection schedule". All the signatories that are no longer under the employ of Elundini Municipality have been removed as signatories in our banks.

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2	CoA F 43	Revenue from Exchange	Revenue from Exchange- Interest not charged on outstanding debtors	During audit of investment income, we identified that the below debtors have long outstanding debts, however interest was not charged and disclosed in the annual financial statements.	The management ensure that all debtors with long outstanding accounts have been charged interest and that has been accurately disclosed in the financial statement.	Management is in agreement with the finding. A journal will be prepared to make the required adjustments to the AFS.	Management is in agreement with the finding. A journal will be prepared to make the required adjustments to the AFS.	100%	Chief Financial Officer	2020-12-31	New debtors will have to be checked for correction allocation of customer class upon entry. All customer class changes will have to be approved by the CFO.	All customers that were classified erroneously as government customers have been corrected. Interest has been checked and is calculating correctly per customer class.
2	CoA F 46	Predetermined objectives	1. APOO: Performance indicator not well defined	During the audit of reporting on predetermined objectives, we have identified that the following indicator is not well defined: KMs	Management should ensure that targets and information reported for all performance	Management is in disagreement with the finding. The indicator is a national crafted	Management's responses have noted, and they disagree with the audit finding. The fact that the	90%	Director - IPD	01/03/2020	During the formulation of the SDBIP, indicators will be reviewed to ensure they meet the SMART criteria	The current indicator have been corrected during the adjustment of the SDBIP. The adjusted

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				of paved roads constructed: Upgrading of Vincent Streets & Stormwater. The reason the indicator is not well defined is due to the fact that the indicator's technical description creates an expectation that reporting will be on actual kilometres of the road constructed, however, the target as well as actual reporting on the indicator is a percentage. This results in a mismatch between the definitions of the indicator, as well as what is actually reported.	indicators is aligned with technical indicator descriptions.	indicator. It cannot be changed. The deliverables are not necessarily aligned to the indicator, however, management has set itself measurable targets to be achieved.	indicator is nationally crafted does not mean that management cannot change the manner in which it collects information, and reports, on the indicator. The technical indicator description does not need to change, management should just report on performance for this indicator using actual kilometers, and not a percentage. The technical indicator description does not					SDBIP is currently awaiting council adoption

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24	CoA F 48	Immovable assets	PPE - Variance between recorded and recalculated Net Carrying Values	During the audit of property, plant and equipment, the below variances were noted between the recorded net carrying values and the recalculated values:	Management should ensure that adequate reviews of the register are performed. In addition, management should revisit the population and ensure that net carrying values of assets are accurate.	Management is in disagreement with the finding, except for item no 13	<p>mention the actual achievement to be reported in percentages but in actual kilometers.</p> <p>The audit finding has not been resolved, and will be included in the management report.</p> <p>Management comment has been noted and reviewed. We have satisfied ourselves that the differences are due to rounding differences, but some of the items are due to the fact that assets</p>		Chief Financial Officer	2020-03-31	An intensive asset review will be carried out on a quarterly basis	

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25	CoA F 50	Operating expenditure	2. Expenditure: Travel and Subsidies - Disagreement	1. Travel and Subsidies is overstated by the following items which are calculated incorrectly.	Management should ensure that full and proper record keeping is done, including reviews and reconciliation of recording of transactions	Management is not in agreement with the finding. There is a big journal that was processed to correct all the transactions that were processed inclusive of VAT.	could not be verified. Management response has been received and evaluated. Projected disagreement: R195 725,76	0%	Chief Financial Officer	2020-02-28	On a voucher basis VAT allocation will be checked on the transactions being processed. After each Munsoft upgrade VAT processing will also be checked just to confirm that the upgrade didn't come with incorrect settings.	VAT is processing is checked at the time of entry of transactions. On a monthly basis the Expenditure Controller assisted by the VAT service provider checks all the transactions for that month for correct VAT allocation
26	CoA F 51	Investment property - additional	Investment property - additional	During the course of the audit, it was noted that the following properties could not be verified/ the municipality does not have	Management should ensure that IP recorded on the FAR is verifiable on title deeds.	No response provided by management.	Finding remains as management did not provide evidence of ownership.	0%	Chief Financial Officer	2020-03-31	Property Register will be reviewed that they are in the name of the municipality. Properties that	We have already located the deed of sale for the Eli Spilkin property, and are on a

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				ownership of such: This has resulted in overstatement of IP by a projected misstatement of R558 027.73							are controlled by the municipality but not registered in the municipality will be investigated to obtain substantive reasons why they are not yet registered in the municipal name.	process of sourcing information confirming ownership on other properties.